

For March 7, 1980

OFFICE OF THE VICE PRESIDENT

Memo No. 738-80

WASHINGTON

~~SECRET/SENSITIVE~~ *Zentling*

March 6, 1980

MEMORANDUM FOR THE VICE PRESIDENT

FROM: Denis Clift *DC*

SUBJECT: Foreign Policy Breakfast, Friday, March 7, 1980,
7:30 a.m.

Middle East

With the UN resolution, the Middle East has jumped back to center stage. Wednesday evening, a courier was scheduled to arrive with a sealed, hand-written letter from Sadat to the President. The Egyptians have separately advised us that Egypt will not continue talks with Israel on Palestinian autonomy beyond May 26 -- that is the deadline. You have agreed to Ambassador Ghorbal's urgent request for a meeting, scheduled for Monday, March 10.

On March 23, two days before the New York primary, you are scheduled to address the National Dinner of the National Council of Young Israel. I have tasked Robert Hunter, NSC, and Tarnoff/Lake at State to forward a first draft by March 14, a draft which will, of course, cover the U.S. commitment to Israel and a substantive, forward looking statement on where we are in the Camp David peace process. As you may recall, the President recently indicated in the morning intelligence that he wanted Zbig, you or he to give a speech on the Camp David process -- your March 23 speech will accomplish this objective. At the breakfast, following discussion of Sadat's latest proposals for the autonomy talks, I recommend that you suggest that your speech provides an excellent occasion for some major, positive, forward looking news in the context of the Middle East peace negotiations -- you should have something to announce.

On a related subject, Secretary Vance should be asked to report on Administration preparations for the Church/Stone hearings called for Tuesday of next week on the mix-up over the UN Israeli settlements resolution -- clearly, it is vitally important that the Administration have its act together for these hearings.

~~SECRET/SENSITIVE~~
CLASSIFIED BY A. DENIS CLIFT
REVIEW ON MARCH 6, 2000

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BY *BAT* NARA, DATE 8/25/06

Finally, I am attaching at Tab B Sam Lewis' cable on the flap in Israel following the President's March 3 announcement including his report of the clash between Weizman and the rest of the cabinet and Begin's instructions to Evron to play it rough in the U.S.

Iran

The militants' statement of March 6 does seem to represent a major breakthrough (if it is not subject to immediate reversal). The language (Tab A) is significant in that it is in keeping with past Persian formulas under which no one loses face. It is also significant, if it holds, in that Bani-Sadr is successfully adhering to the hostage release scenario (with a lot of hard work by a lot of people on the ground in Teheran). In effect, we have already bypassed one step of the scenario -- commission visit to the hostages -- using the presence of the commission in Teheran to effect transfer of the hostages from the militants to the Revolutionary Council. Vance will have an update by the time of the breakfast.

Meanwhile, the French and the Panamanians appear to be moving closer to a specific action relating to the Shah. It is my understanding that during the course of Thursday, Ham Jordan and Hal Saunders will be able to get a better line on the Panamanian front.

Schmidt Visit

A good Joint Press Statement (Tab C) emerged from the President's meeting with Helmut Schmidt, including the very important paragraph (page 2) on the Olympics. Additionally, at Thursday's SCC Lloyd Cutler was relatively upbeat on the prospect for alternative summer games.

Afghanistan/USSR

The Soviets have recently seemed to back away from any interest in the EC neutrality proposal, and because of the French, the EC itself seems to be somewhat in disarray. Vance should report on this.

Zimbabwe

Careful attention should be given to the Administration's public position on a Mugabe government. Given the fact that while we support the elections process that is bringing Mugabe to power, we have to take into account his declared Marxist platform and the extreme negative reaction of U.S. conservatives. I have not seen any State proposals for U.S. representation either at "Mugabe's inaugural" or representation at the diplomatic level once the independent government is formed.

(SUB FOR 30--FYI ON STATEMENT)

IRAN: STUDENTS TO TURN OVER HOSTAGES TO REVOLUTION COUNCIL

LD061132 TEHRAN DOMESTIC SERVICE IN PERSIAN 1050 GMT 6 MAR 80 LD

(TEXT) THE FOLLOWING STATEMENT WAS ISSUED TODAY BY THE MUSLIM STUDENT FOLLOWERS OF THE IMAM'S POLICY STATIONED AT THE DEN OF ESPIONAGE:

IN THE NAME OF GOD, THE COMPASSIONATE, THE MERCIFUL.

GREAT AND ALERT IRANIAN NATION: AS WE INFORMED YOU, IN OUR TWO RECENT STATEMENTS, HEROIC IRANIAN NATION, WE BELIEVE THAT IN THE APPROACH TO AMERICA, WE SHOULD ACT FROM A DECISIVE AND REVOLUTIONARY POSITION, AND SHOULD TAKE THE INITIATIVE. THUS, WE DID NOT AGREE WITH THE MEMBERS OF THE COMMISSION OF INQUIRY MEETING WITH THE HOSTAGES, WHICH IS SOMETHING IMPOSED BY AMERICA AND WHICH IS THE TRUE PURPOSE OF THE CRIMINAL AMERICAN GOVERNMENT AND GREAT SATAN, BUT WHICH IS NOT WHAT THE IRANIAN NATION WANTS, AND IS NOT EVEN THE TRUE WISH OF STATE OFFICIALS.

BUT WHAT CAN ONE DO WHEN THE OFFICIALS AND THOSE WHO ARE IN CHARGE IN THE COMMISSION HAVE ACCEPTED THAT WHATEVER THE COMMISSION WANTS MUST BE DONE. SINCE WE CANNOT BOW TO AND COMPLY WITH A VIEW WHICH WE DO NOT ACCEPT AND WHICH WE DO NOT REGARD AS BEING IN LINE WITH THE IMAM'S POLICY, BUT, SINCE THOSE IN CHARGE OF GOVERNMENT ALWAYS REGARD OUR METHODS AS A FACTOR CONTRIBUTING TO THEIR WEAKNESS--ALWAYS SPEAK OF A GOVERNMENT WITHIN A GOVERNMENT--THUS, WE DECLARE TO THE REVOLUTION COUNCIL, IN ORDER TO ALLAY ANY MISUNDERSTANDING, TO TAKE DELIVERY OF THE HOSTAGES, THAT IS THE AMERICAN SPIES, FROM US TO DO WITH THEM ANYTHING THEY DEEM APPROPRIATE.

WE DO NOT BELIEVE IN PARTICIPATING IN SOMETHING WHICH DOES NOT BENEFIT OUR REVOLUTION AND WHICH THE ENEMY WANTS. WHILE REGARDING OUR RESPONSIBILITY WITH REGARD TO THE HOSTAGES AS AT AN END, WE ARE CONFIDENT THAT THE IRANIAN NATION GENUINELY SUPPORTS THE IMAM'S REVOLUTIONARY LINE AND THAT IT WILL EVENTUALLY BRING BACK TO THE RIGHT PATH ANY DEVIATION AND ERRING WITH THE NECESSARY DECISIVENESS.

(SIGNED) THE MUSLIM STUDENT FOLLOWERS OF THE IMAM'S POLICY.

6 MAR 1155Z JCE/TN''''''

FBIS 84 (OUT OF SEQUENCE)''''

IRAN: REVOLUTIONARY COUNCIL AGREES TO TAKE HOSTAGES INTO ITS CUSTODY

WA061820 LONDON REUTER IN ENGLISH 1818 GMT 6 MAR 80 LD

(TEXT) TEHRAN, MARCH 6, REUTER--THE MILITANT STUDENTS HOLDING AMERICAN HOSTAGES AT THE U.S. EMBASSY SAID TODAY THEY WERE READY TO HAND THEM OVER TO THE RULING REVOLUTIONARY COUNCIL, WHICH AGREED TONIGHT TO TAKE THE CAPTIVES INTO ITS CUSTODY.

FOREIGN MINISTER SADEQ QOTBZADEH TOLD REPORTERS AFTER A MEETING OF THE COUNCIL: "THE STUDENTS HAVE SENT A MESSAGE SAYING THEY WILL ABANDON THEIR GUARDING OF THE HOSTAGES. THE REVOLUTIONARY COUNCIL TONIGHT HAS ACCEPTED THAT."

MR QOTBZADEH SAID A GOVERNMENT COMMITTEE WOULD BE ESTABLISHED TOMORROW TO DECIDE THE METHODS BY WHICH THE HOSTAGES WOULD BE SURRENDERED.

6 MAR 1828Z KH/SAH''''

Israel

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USMISSION USUN NEW YORK IMMEDIATE 7730
WHITEHOUSE WASHDC IMMEDIATE

C O N F I D E N T I A L SECTION 01 OF 03 TEL AVIV 04383

E.O. 120651 GDS 3/5/86 (BROWN, WILLIAM A.) DR-M
TAGS: PEPR, UNSC, IS, US, XF
SUBJECT: CONTINUING CONSTERNATION OVER U.S. ROLE IN UNSC
" SETTLEMENTS RESOLUTION
REF: TEL AVIV 4100

1. (C-ENTIRE TEXT.)

2. SUMMARY AND COMMENTS: ALTHOUGH ISRAELI COMMENTATORS AND POLITICIANS ARE VIRTUALLY UNANIMOUS IN THEIR CONDEMNATION OF THE U.S. VOTE ON THE SECURITY COUNCIL SETTLEMENTS RESOLUTION, THERE IS NO CONSENSUS AS TO WHO IS TO BLAME AND WHERE ISRAEL SHOULD GO FROM HERE. OUR EFFORTS TO SET THE RECORD STRAIGHT HAVE ADDED TO ISRAELI FEELINGS OF BETRAYAL THE IMPRESSION OF U.S. VACILLATION AND MANIPULABILITY. REALIZATION IS WIDESPREAD THAT A KNEE-JERK REACTION IN HEBRON WILL ONLY MAKE MATTERS WORSE. THE ACrimonious CABINET DEBATE SHOWED MODERATES CLEARLY IN ASCENDENCY AND BEGIN LARGELY ISOLATED. THE HEBRON AFFAIR IS NOT OVER BUT THE ODDS FAVORING SETTLEMENT THERE HAVE DIMINISHED. SOME COMMENTATORS SEE THE U.S. ADMINISTRATION'S TURN-AROUND AS AN Ironic DEMONSTRATION OF ISRAEL'S STILL POWERFUL LEVERAGE AND EXPECT ISRAEL TO TAKE ADVANTAGE OF ELECTION-YEAR POLITICS. MOST OBSERVERS, HOWEVER, ARE MUCH

*****WHSP COMMENT***** DECLASSIFIED

ZB STERR DEN VP
EDBIBLOOM, HUNT

per 7/27/06 NSC 14-
NL JC-06-070
BY BAE NARA DATE 8/25/06

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PAGE 01

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MORE GLOOMY. THEY SEE RECENT EVENTS COMPROMISING THE U.S. ROLE IN THE AUTONOMY NEGOTIATIONS, ALTHOUGH NO ONE AS YET IS SERIOUSLY ADVOCATING SUSPENDING THEM ON THIS ACCOUNT. BENEATH THE OUTRAGE AGAINST THE U.S., THERE RUNS A STRONG CURRENT OF ISRAELI SELF-DOUBT AND ANXIETY ABOUT THE FUTURE. MANY ISRAELIS REALIZE THAT, HOWEVER MUCH THEY RESENT U.S. ACTIONS, THEY HAVE BROUGHT MUCH OF THE TROUBLE ON THEMSELVES BY PURSUING POLICIES WILDLY OUT OF LINE WITH WORLD OPINION. EVEN AS THEY FULMINATE AGAINST THE U.S., THOUGHTFUL ISRAELIS ARE EVINCING RECOGNITION THAT THE POLICIES OF THIS GOVERNMENT THREATEN TO SQUANDER ISRAEL'S MOST IMPORTANT SECURITY RESOURCE -- ITS RELATIONSHIP WITH THE UNITED STATES. END SUMMARY AND COMMENT.

3. THE WAVE OF RAGE OVER THE U.S. VOTE IN FAVOR OF THE SECURITY COUNCIL SETTLEMENT RESOLUTION AND SUBSEQUENT U.S. EFFORTS TO "BACK-TRACK" HAVE PRODUCED AN OUTPOURING OF EDITORIAL COMMENTARY AND POLITICAL REACTION ALMOST UNPRECEDENTED IN RECENT YEARS. ALTHOUGH THERE IS GREAT DIVERSITY AMONG COMMENTATORS AND POLITICIANS AS TO HOW ISRAEL GOT INTO THIS MESS IN THE FIRST PLACE AND WHERE IT GOES FROM HERE, THE ONE THING THAT VIRTUALLY ALL ISRAELIS ARE AGREED UPON IS THAT THE U.S. VOTE IN THE SECURITY COUNCIL WAS, TO A GREATER OR LESSER DEGREE, AN ACT OF BETRAYAL. DESPITE UNIVERSAL RECOGNITION OF AMERICAN OPPOSITION TO ISRAEL'S SETTLEMENTS POLICY SINCE THE VERY BEGINNING, THE U.S. DECISION TO EXPRESS THIS OPPOSITION THROUGH SUPPORT OF A "ONE-SIDED" UN RESOLUTION APPARENTLY TOOK ISRAEL COMPLETELY BY SURPRISE AND IS UNIVERSALLY LOOKED UPON AS REPRESENTING A SHARP DETERIORATION IN U.S.-ISRAELI RELATIONS.

4. OUR EFFORTS TO SET THE RECORD STRAIGHT BY WHAT IS VARIOUSLY SEEN HERE AS AN ABJECT APOLOGY, CAPITULATION TO ISRAELI AND AMERICAN JEWISH OUTRAGE, AN ATTEMPT TO OBFUSCATE OUR REAL MOTIVES, OR AT BEST, AN ADMISSION OF OUTRIGHT INCOMPETENCE, HAVE DONE LITTLE TO DISPEL THE IRRITATION AND THE SENSE OF MENACE INHERENT IN U.S. ACTIONS. WHETHER WE ARE SEEN BY THE ISRAELIS AS HAVING APOLOGIZED OR NOT, THE FACT THAT PRESIDENT CARTER INSTRUCTED THE U.S. REPRESENTATIVE TO JOIN IN A UN CONDEMNATION OF ISRAEL IS AN ANATHEMA AND A SOURCE OF SOUNDLESS ANXIETY.

5. HOWEVER, ONCE COMMENTATORS HAVE AGREED THAT THE U.S. HAS SINNED AND THAT ISRAEL IS RIGHT TO BE ANGRY AND OUGHT TO BE WORRIED, ALL UNANIMITY ENDS. AT THIS POINT THERE IS NOT EVEN A VAGUE CONSENSUS AS TO WHAT IT ALL MEANS AND WHAT ISRAEL SHOULD DO ABOUT IT. WHAT IS CLEAR, HOWEVER,

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IS THAT THE TRADITIONAL KNEE-JERK REACTION OF BLATANT
DEFIANCE IS OBVIOUSLY NOT ENOUGH. CONTRARY TO WIDESPREAD
EXPECTATIONS, THE CABINET DID NOT RUSH HEADLONG INTO A
DECISION TO SETTLE JEWS IN HEBRON. INDEED, THOSE AD-
VOCATING SUCH A DECISION WERE IN A DISTINCT MINORITY
(REFTEL). IN AN ACERBIC EXCHANGE WITH THE PRIME
MINISTER, WEIZMAN ACCUSED THE CABINET OF "MAKING EVERYONE
SICK AND TIRED OF US," BY WASTING TIME ON "MARGINAL
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~~CONFIDENTIAL~~ SECTION 02 OF 03 TEL AVIV 04383

MATTERS LIKE HEBRON AND ELON MOREH....THINGS CANNOT CARRY ON LIKE THIS ANYMORE." WEIZMAN IS FURTHER REPORTED TO HAVE SAID: "SHOULD THE CABINET DECIDE, IN REACTION TO THE SECURITY COUNCIL RESOLUTION, TO SETTLE THE HOUSES IN HEBRON, I SHALL VOTE AGAINST IT. I AM AGAINST JEWISH SETTLEMENT IN HEBRON." ACCORDING TO MAIARETZ'S UZI BENZIMAN, AT ONE POINT IN THE DEBATE WEIZMAN WENT SO FAR AS TO SAY THAT SETTLEMENTS IN THE WEST BANK "DID NOT SERVE ANY SECURITY PURPOSE," A STATEMENT FROM WHICH HE LATER RETREATED SOMEWHAT UNDER PRESSURE FROM HIS CABINET COLLEAGUES. ALTHOUGH BEGIN WAS REPORTEDLY STRONGLY IN FAVOR OF A DEMONSTRATIVE DECISION ON HEBRON, HE ENDED UP VIRTUALLY ISOLATED WITH ONLY MOSHE NISSIM AND DAVID LEVY BACKING HIM. ONCE SHARON RETURNS, BEGIN MAY CONTINUE TO PRESS FOR SOME SYMBOLIC JEWISH PRESENCE IN HEBRON, BUT AFTER YESTERDAY THE ODDS FOR SUCH AN OUTCOME APPEAR TO HAVE DIMINISHED.

6. IN AN IRONIC THIST, SOME COMMENTATORS SEE IN THE U.S. ADMINISTRATION'S "DESPERATE" EFFORTS TO PLACATE ISRAEL A DEMONSTRATION THAT, IN AN ELECTION YEAR AT LEAST, ISRAEL RETAINS A GREAT DEAL OF LEVERAGE WITH THE UNITED STATES. AFTER YESTERDAY'S CABINET PROTEST, ACCORDING TO BEGIN CONFIDANT COLUMNIST YOSEF HARIF, BEGIN INSTRUCTED ISRAELI AMBASSADOR EYRON TO CONTINUE

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NLJC 26-070
BY BAZ NARA, DATE 9/25/06

THE DIPLOMATIC OFFENSIVE IN THE U.S. AND NOT LET THE ADMINISTRATION ESCAPE THE SEVERE CRITICISM BEING LEVELLED AT IT FOR ITS VOTE IN THE SECURITY COUNCIL. BY THIS ACCOUNT, BEGIN AND OTHERS INTEND TO EXPLOIT WHAT THEY SEE AS U.S. EMBARRASSMENT AND DISARRAY OVER THE UNSC VOTE TO EXTRACT MAXIMUM AMERICAN COMMITMENTS OF SUPPORT, ALSO LOOKING FOR THE SILVER LINING, YEDIDOT'S ELDER STATESMAN EROL GUINNEY CONCLUDED THAT AS A RESULT OF ITS EFFORTS TO MEND FENCES, THE U.S. WAS "COMPELLED TO REITERATE ITS OBJECTION TO ANY CHANGE IN RESOLUTION 242. IF THIS PROMISE BY THE STATE DEPARTMENT'S SPOKESMAN IS ACTUALLY KEPT, IT WILL CONSTITUTE A CONSIDERABLE ACHIEVEMENT."

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7. THE ABOVE OBSERVATIONS ARE ATYPICAL. MOST OBSERVERS DRAW CONSIDERABLY MORE GLOOMY CONCLUSIONS. MANY ISRAELIS SEE MORRISOME IMPLICATIONS IN THIS AFFAIR FOR THE U.S. ROLE IN THE AUTONOMY NEGOTIATIONS. MINISTERS LEVY AND HAMMER, FOR EXAMPLE, AFTER YESTERDAY'S CABINET MEETING PUBLICLY QUESTIONED WHETHER THE U.S. COULD CONTINUE TO SERVE AS "AN HONEST BROKER" IN THE AUTONOMY NEGOTIATIONS. INTERIOR MINISTER BURG PROFESSED TO SEE "THE HAND OF THE U.S." BEHIND THE RESOLUTION IN AN EFFORT TO PRESSURE ISRAEL IN THE AUTONOMY NEGOTIATIONS, SINCE SOME OF THE POINTS IN THE RESOLUTION HAD BEEN RAISED BY THE U.S. TEAM IN THE AUTONOMY TALKS. IN CALLING FOR THE SETTLEMENTS TO BE DISMANTLED, ACCORDING TO BURG, THE U.S., "WHICH HAS TAKEN PART IN THE AUTONOMY TALKS, HAS IN EFFECT ALREADY CAST ITS VOTE." BY THIS REASONING, IN ADHERING TO UN CONDEMNATION OF SETTLEMENT, THE U.S. HAS PREJUDICED THE OUTCOME OF A CENTRAL SUBJECT OF THE FINAL STATUS NEGOTIATIONS. GIVEN THAT ISRAEL'S NEGOTIATORS MAINTAIN THAT THE CAMP DAVID AGREEMENTS IN EFFECT MAKE THE SUBJECT OF SETTLEMENTS ULTRA VIRES FOR THE NEXT FIVE YEARS, THIS THEME HAS FOUND CONSIDERABLE CURRENCY HERE. AS ANOTHER COMMENTATOR SEES IT, "THERE IS NO GOOD REASON TO EXPECT PRESIDENT SADAT TO MAKE MORE CONCESSIONS (IN THE AUTONOMY NEGOTIATIONS) THAN THE U.S. ENCOURAGES HIM TO MAKE, AND IF THE U.S. CAN VOTE FOR UPROOTING ALL THE SETTLEMENTS AND DESERTING ALL THE NEW JEWISH NEIGHBORHOODS IN JERUSALEM, HOW CAN EGYPT BE MORE LENIENT?" SOME EVEN SEE IN OUR ACCEPTING REFERENCE TO "ARAB AND PALESTINIAN TERRITORIES OCCUPIED IN 1967, INCLUDING JERUSALEM" (RATHER THAN THE RESOLUTION 242 FORMULATION "TERRITORIES OCCUPIED IN 1967") A VIOLATION OF OUR COMMITMENT NOT TO CHANGE RESOLUTION 242.

8. DESPITE ALL OF THE ABOVE, WE DETECT NO SIGNIFICANT SENTIMENT -- OR EVEN MUCH LOOSE TALK -- FOR SUSPENSION OF

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THE AUTONOMY TALKS. AS MINISTER GURC HAS SAID, HOWEVER, THIS AFFAIR WILL NOT CONTRIBUTE ANYTHING GOOD TO THE NEGOTIATING ATMOSPHERE.

9. RUNNING JUST BELOW THE SURFACE OF HARSH ANTI-U.S. CRITICISM IS A STRONG CURRENT OF SELF-DOUBT ABOUT ISRAEL'S OWN CULPABILITY IN BRINGING ITS RELATIONS WITH THE U.S. TO THEIR PRESENT SORRY PASS. THE SENTIMENT OF
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~~C O N F I D E N T I A L~~ SECTION 03 OF 03 TEL AVIV 04383.

NETZMAN'S OUTBURST IN THE CABINET MEETING IS STRONGLY REFLECTED ACROSS THE SPECTRUM OF POLITICAL COMMENTARY. MAPARETZ SPOKE FOR A GREAT MANY ISRAELIS IN ITSORSEVATION TODAY THAT "THE CRITICAL SITUATION WE ARE IN NOW IN OUR REALITIONS WITH THE U.S., AS WELL AS OUR OTHER FRIENDS ABROAD, IS TO A GREAT EXTENT DUE TO THE BEGIN-SHARON GOVERNMENT'S HAVING IDENTIFIED WITH AIMS BEING FURTHERED BY THE FRINGES OF ISRAELI SOCIETY (GUSH EMUNIM) AND NOT OF ISRAEL AS A WHOLE....IT IS NOT THE HEBRON QUESTION WHICH SHOULD REOCCUPY THE GOVERNMENT, BUT HOW WE CAN EXTRICATE OURSELVES FROM THE POLITICAL ISOLATION THAT THREATENS TO PUSH US BACK TO THE PRE 6-DAY WAR BORDERS."

10. BUT EVEN AS THEY FULMINATE AGAINST WHAT THEY SEE AS A SHARP EROSION OF U.S. SUPPORT OF ISRAEL, ISRAELIS ARE REFLECTING MORE AMBIVALENCE THAN WE ARE ACCUSTOMED TO SEEING. NO MATTER HOW MUCH THEY WOULD WISH IT OTHERWISE, THE REALIZATION IS BEGINNING TO SINK IN THAT ISRAEL CANNOT CONTINUE INDEFINITELY TO DEFT WORLD OPINION, AND PARTICULARLY U.S. OPINION, IN PURSUIT OF A QUIXOTIC DREAM OF JUDEA AND SAMARIA COVERED WITH JENISH SETTLEMENTS. GUINEY STATED IT REMARKABLY FORTHRIGHTLY: "NOW THAT WESTERN EUROPE IS INCREASINGLY IN-

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per 7/27/06 NSC 14.
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BY BAE NARA, DATE 8/25/06

CLINED TO STAND BY THE ARABS, WE NEED TO MAINTAIN A
BETTER RELATIONSHIP THAN EVER WITH OUR ONLY REMAINING
ALLY. WHATEVER STEPS THE ISRAELI GOVERNMENT DECIDES
TO TAKE FROM NOW ON, IT SHOULD KEEP IN MIND OUR VITAL
NEED FOR AMERICAN SUPPORT." LEWIS

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THE WHITE HOUSE

JOINT PRESS STATEMENT

President Carter and the Chancellor of the Federal Republic of Germany, Helmut Schmidt, held a lengthy conversation in Washington, March 5, during the Chancellor's official visit to Washington, March 4-6. The Chancellor, who last met with the President in June 1979, was in Washington at the President's invitation. He was accompanied by Mrs. Schmidt. His party also included the Federal Minister of Finance, Hans Matthoefer; the State Secretary in the Federal Chancellery, Dr. Manfred Schueler; the State Secretary and Chief of the Press and Information Office, Klaus Boelling; the State Secretary of the Federal Foreign Office, Guenther van Well; the Chief of the Federal Armed Forces Staff, General Juergen Brandt; as well as the following representatives of German business and labor: The Chairman of the German Trade Union Federation, Heinz Oskar Vetter; the Chairman of the Federation of German Chambers of Commerce and Industry, Otto Wolff von Amerongen; the Chairman of the German Federation of Industry, Professor Dr. Rolf Rodenstock; the Chairman of the Civil Servants and Transportation Workers Union, Heinz Kluncker; and Mr. Philipp Rosenthal, Member of Parliament and Chairman of Rosenthal China.

During his visit, the Federal Chancellor also met with, among others, Secretary of State Vance; Secretary of the Treasury Miller; Secretary of Defense Brown; Secretary of Labor Marshall; Secretary of Energy Duncan; Assistant to the President for National Security Affairs, Dr. Brzezinski; Chairman of the Federal Reserve Board Volcker; and the President of AFL-CIO Lane Kirkland. The Chancellor's program also includes a meeting with Senate Majority Leader Robert Byrd, Chairman of the Senate Foreign Relations Committee Frank Church, and other distinguished Members of Congress.

The conversation between the President and the Chancellor covered a wide range of political, security and economic issues of mutual interest for the two countries. Their meeting followed an intensive period of high-level consultations between the two governments, including visits to Washington and Bonn by the respective Foreign Ministers and several exchanges between the President and the Chancellor. The President and the Chancellor agreed on the necessity of continuing these close consultations in order to assure full coordination of the policies followed by the two countries on major international issues. They also agreed that intensified bilateral and multilateral consultations between all of the Western Allies were essential, particularly in light of the current international situation.

The Chancellor expressed his highest respect and admiration for the President's exceptional statesmanship in the crisis caused by the illegal and abhorrent holding of the hostages in Tehran and for the courage and patience shown by the American people.

In their review of the international situation, the President and the Chancellor agreed that the Soviet invasion of Afghanistan had created a serious threat to international peace and security. They confirmed their determination, together with their Allies, to take the measures necessary in the circumstances to guarantee their security and defend international stability as also stated in the Joint Franco-German Declaration of February 5, 1980.

(MORE)

They reiterated their government's condemnation of the Soviet invasion and called upon the Soviet Union immediately to withdraw its forces from Afghanistan. They noted with satisfaction that their assessments of the implications of the Soviet invasion of Afghanistan were quite close and they agreed upon the measures which each country should take in response to the Soviet action, including the need for urgent assistance to Turkey and Pakistan. The President noted with satisfaction the decision of the Federal government to coordinate Western assistance to Turkey in 1980. The President and the Chancellor expressed the determination of their governments to make major contributions to the common effort of assisting Turkey and Pakistan. In this connection, the Chancellor proposed a debt rescheduling for Pakistan.

The President and the Chancellor agreed that the independence of the countries of the Third World is an essential element of world peace and stability. They underlined the necessity not only to recognize the independence and self-reliance of the Third World countries, but also to assist those countries economically and politically on the basis of equal partnership.

The President and the Chancellor discussed the importance of increased efforts to strengthen NATO defenses. They reaffirmed their strong support for the NATO Long-Term Defense Program and for the NATO aim of three percent annual real growth in defense spending. The President noted the strong efforts of the Federal Republic in the defense field in recent years and welcomed the Chancellor's statement that the Federal Republic would achieve three percent real growth in its 1980 defense budget as it has in the past. The President reviewed U.S. defense programs which have been made much more urgent in the light of the Soviet invasion of Afghanistan. The Chancellor agreed that it was essential for America's Allies to share equitably in collective defense efforts to meet the needs of the common defense.

The President and the Chancellor agreed that the Soviet invasion of Afghanistan has also had a seriously detrimental effect on the economic relations of the West with the USSR. They agreed on the importance of taking, in coordination with their Allies, the necessary measures. They also agreed that in shaping economic relations with the Soviet Union care must be taken not to strengthen the USSR's armament efforts and military potential.

The President expressed his support for the proposal announced February 19 by the Foreign Ministers of the European Community aimed at reestablishing a neutral, nonaligned and independent Afghanistan, on the basis of total and prompt withdrawal of Soviet troops.

The President and the Chancellor agreed that participation in the Olympic Games would be inappropriate as long as Soviet occupation in Afghanistan continues. The President stated that the United States would not participate in the Olympic Games in Moscow. The Chancellor emphasized that it is up to the Soviet Union to create the conditions that athletes from all countries will be able to participate in the Olympic Games, and that at present such conditions do not exist.

The President and the Chancellor reiterated their countries' commitment to the reduction of tension throughout the world. They agreed that in the current period of heightened tensions it is desirable to maintain the framework of East-West relations that has been built over two decades.

The President and the Chancellor stressed their continuing support for the arms control negotiations. The Chancellor welcomed the President's recent statement that he planned to seek ratification of the SALT II Treaty by the United States Senate as soon as this was practicable. The President and the Chancellor agreed that the NATO Allies should

continue to press ahead with their December 20, 1979, initiative in the MBFR talks in Vienna, their Long-Range Theater Nuclear Force (LRTNF) deployment decision of last December 12 as well as their offer for negotiations in the framework of SALT III aiming at limitations on U.S. and Soviet LRTNF on the basis of equality. They expressed regret that the Soviet Union had responded negatively to the United States' proposal, based on the December 12 decision within the Alliance, on arms control negotiations involving Long-Range Theater Nuclear Forces. They reaffirmed the determination of the Alliance to keep this offer on the table. They expressed their concern that the continuing Soviet LRTNF arms buildup increases the existing imbalance. The President and the Chancellor agreed that at the upcoming follow-up meeting of the Conference on Security and Cooperation in Europe which will take place in Madrid this fall, the Allies should conduct a thorough review of the implementation of all aspects of the Helsinki Final Act and consider proposals aimed at furthering the objectives of the Final Act. In this respect, they reaffirmed the position taken by the Foreign Ministers of the Alliance on December 14, 1979.

Having in mind the need to achieve a comprehensive peace settlement in the Middle East, the President and the Chancellor discussed the latest developments in that region, in particular the autonomy negotiations currently underway between Egypt and Israel within the Camp David framework. They agreed on the urgent need for progress in these negotiations.

The President and the Chancellor reviewed the current international economic situation, with particular emphasis on the energy problem and financial questions arising from the recent sharp increases in oil prices. They agreed that the program adopted by the Seven-Nation Economic Summit in Tokyo last June remained valid and that its objectives should be pursued. They stressed the need for further urgent efforts aimed at expanding alternate sources of energy, in particular coal, nuclear, renewable resources as well as coal gasification and liquefaction, and reducing energy consumption by all means possible. They pledged to cooperate with other nations in taking new medium and long-term actions to these ends in the International Energy Agency and at the Venice Economic Summit.

They expressed particular concern over the worsening economic conditions of the developing countries resulting in large measure from the continued increase in energy prices and expressed the readiness of their governments, together with other countries, including the OPEC countries, to seek ways to help oil-importing developing countries produce more energy. They agreed that in the present circumstances healthy growth by these countries is essential to a prosperous world economy, and that both the OPEC countries and the industrial countries should help. The two Heads of Government exchanged views about the actions they are taking to overcome inflation and achieve sound and sustained growth. The President described the Administration's program of fiscal restraint, efforts to reduce energy consumption and to increase energy supplies, and steps to curtail present rates of inflation. The Chancellor expressed confidence in the prospects of success of these actions and described the current stance of monetary and fiscal development and energy policy in the Federal Republic of Germany. The President and the Chancellor stressed the importance of resisting protectionist measures that would impede trade, retard growth and add to inflation.

The two Heads of Government agreed that the key to success in the economic field is to be found in holding to present economic policies over a sustained period. They shared the view that if these policies are continued and strengthened, the main industrial countries can restore non-inflationary growth from which all will benefit.

The President and the Chancellor saw in this visit further proof of their fundamental commitment to the North Atlantic Alliance and of the close friendship and partnership between their countries. They were agreed that it is not only the common security interests that link the two countries together but also their common principles and values, their democratic way of life and their belief in the inalienable rights of man.

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