

publicized and otherwise surprising pact between Saudi Arabia, Iran and the USSR for the purpose of ensuring the uninterrupted flow of oil out of the Gulf in case of anticipated sabotage from Rockefeller-CIA agencies known to be stationed in the area. Details of the pact include utilization of Soviet transportation facilities by the Iranians in case of emergency. This important development, putting an end to the long-standing, contrived antagonism between Iran and Saudi Arabia was capped with a \$3 billion Saudi loan to the financially strapped Shah of Iran. It is expected that Iraq and Kuwait will join the pact, probably within the week. Kuwait also marked an unprecedented shift in its foreign policy orientation by concluding a multimillion dollar arms purchase with the Soviet Union.

It is otherwise well known that the leading political factions in Saudi Arabia have, since at least last fall,

pursued a vigorous policy for industrial investment, and have systematically opposed any financial policies that would tend to waste funds for bailing out the New York banks' overextended loans to the Third World.

Moreover, with the collapse of all syndication activities, the leading Swiss financial houses — many of which have been investigating the potential of return to a gold-based world monetary system since at least 1975-76 — are presently reported to be operating on the perspective that the New York-dominated Eurodollar market will go through a massive collapse sometime between the second and third financial quarter of this year.

The European governments are presently orienting toward the t-ruble alternative as the only one left. Mr. Vance's miscalculation is more than meets the eye: he is keeping his accounts in the wrong currency.

— Criton Zoakos

How The World Viewed Carter's 'Miscalculation In Moscow'

New York Times,

"...The pessimists abroad outnumber the optimists, who seem mostly to be concentrated among Carter's admirers. Moreover these pessimists, numerous among our NATO allies, believe Brezhnev has resolved not only to test American willpower but also the strength of the Atlantic alliance...

Mr Khrushchev misjudged Kennedy and the NATO allies...

But the situation is different nowadays... the Russians... have a massive power advantage on Western Europe's borders...

Moreover the United States is no longer regarded as the unchallenged titan and it is having more bilateral argument with its allies...

Special disputes weaken United States leverage on its allies just when their ties should be more closely cemented...

Added to this is Europe's conclusion that the Soviets are now edgy and not subject to provocations... Moscow's relations have been worsened... with India... with Japan... with the United States... West Europe is in no mood to be next on the list..."

Washington Post, by Joseph Kraft, April 3:

"... Some people," Carter told Sen. Alan Cranston, "are concerned every time Brezhnev sneezes." ... It was... the kind of dumb, undisciplined crack no American President should ever make about a Russian leader...

On top of all that, Mr. Vance took to Moscow two proposals on strategic arms control so strongly weighted against Russia as to be unreasonable...

President Carter has coupled with a threat to go for a big arms buildup if there is no accord. But I find something fatuous about his optimism, and the view that all we need to do now is hunker down.

In fact the world is on the edge of ugly events unless

both sides use the intervening time to good advantage..." by C.L. S

New York Times, by James Reston, April 3:

"... Probably nobody in the United States knows more about how to negotiate with the Russians or agrees more with Jimmy Carter... than George Kennan..."

"I'll tell you frankly," he said in a conversation with this reporter, "that I think the new Administration has made just about every mistake it could make in these Moscow talks, and has defied all the lessons we have learned in dealing with the Soviets since the last world war..."

... many experienced diplomats around here tend to agree with Kennan..."

Washington Post, by Joseph Kraft, April 5:

"Carterites assert that what went wrong in the Moscow arms talks was a mere temporary matter of Russians not digging Jimmy's new-style diplomacy. Soviet experts blame the trouble on American miscalculations about Russia.

But a truer gauge of the difficulty emerges from the briefing on Moscow offered by Zbigniew Brzezinski, the President's national security adviser. The Brzezinski briefing unwittingly demonstrates that the American approach to the Moscow talks was self-indulgent and irresponsible in almost every respect...

Though Vladivostock was a solemn commitment by an American President, the Carter Administration sought to make sweeping changes in the most sensitive areas of the previous bargain...

In Moscow, Secretary Vance asked for a reply within a matter of days, in circumstances that made the meetings seem to be a test of Soviet good faith...

... Even Carter's most serious advisers seem to have been befuddled...

I cite all this because the indulgence now being shown the President for the failure in Moscow is far more dangerous than the failure itself..."

Die Welt, editorial by von Raven, April 1:

"... now Carter has learned something: 'advance offers' will not produce anything with the Soviets... Only facts will convince the other side, such as the XM, the B-1, or the Cruise missiles. Europe should have a special interest in the Cruise missiles because they can be used against the medium-range missiles the USSR has directed against Europe. If the United States were to drop this trumpcard, then one would see neutralist tendencies coming, like Herbert Wehner in his *Deutsche Welle* interview..."

Frankfurter Rundschau editorial by Simontisch, April 1:

"...one could have really expected these talks to produce any result, given all the limitations before. But Carter's threats are dangerous, and overemphasized. It's like Dulles threatening in the past, and then Khrushchev responding with his 'wonder weapons.'...The result of all this is an incredibly high extinction in the world today...Carter's ravings may well bring the 'hawks' to the surface, in Washington as well as in Moscow."

Suedische Zeitung, article by Herbet von Borch, April 2:

"The question after the failure of SALT is is Carter the new Woodrow Wilson of the 20th century... Carter is not playing Don Quixote with the human rights issue, it is a real priority for him even though Bonn and Paris fear the consequences. He is obviously planning his ideas as though he were not president of the United States, whose words are weighed in the chancellories of a hundred nations."

Frankfurter Allgemeine Zeitung, front page lead by Jan Reifenberger, April 5:

"Although it failed, Carter's diplomacy is at least in the open, and not like the secret diplomacy of one year ago, for instance. Hawks as well as doves are backing Carter, and Pentagon officials are now finally hoping to get their plans for new technological development through... With the exception of a small group of East-West experts and professional diplomats, Carter has support. However, Vance did confess that the United States might have counted on their concept in the wrong way... The United States hopes that the Soviets will get back to the bargaining tables, because none of the powers are in a position similar to the one Kennedy had when he rolled back Khrushchev in 1962. The United States thinks that even if Brezhnev is to be replaced, the Soviets will go back to bargaining..."

Die Zeit, lead article by Countess Marion von Doenhoff, April 6:

"Soviet Foreign Minister Gromyko's press conference terrified the journalists... The chief problems leading to the collapse of the talks were: 1) the negotiations did not go through Dobrynin, 2) the human rights issue, 3) as Gromyko said, the Vance proposals would have given the USA a one-sided advantage... Carter is now threatening a new arms race, and even before he was briefed by Vance he claimed that there is no proof that the human rights campaign had anything to do with the failure, even though he did know what Gromyko had said on the issue."

"...In any case, this collapse is not an every day event... what will the escalation be? This is hard to say because it is still not clear what Carter's priorities are. If his priority were arms production, then why make an ostentatious announcement of more money to Radio Free Europe? If his priority is human rights, then what about his methods, — the only results so far have been that more dissidents are arrested..."

Le Matin de Paris, March 31:

"... For Cyrus Vance, this is a stinging setback. He had noisily left Washington after Jimmy Carter's declarations on human rights... But he is leaving Moscow with an empty bag this morning. Evidently, the Soviets meant to give Carter a lesson: one does not upset without consequences the rules of the game and international protocol."

Le Matin de Paris, April 1:

"Since Kennedy and the Cuban missile crisis in October 1962, one had not seen an American President speak such a firm — not to say aggressive — language to the Soviets. Carter's reply to Brezhnev's rejection of his proposal for a reduction of strategic arms is in fact equivalent to a sort of ultimatum. If in May, when Vance and Gromyko meet again in Geneva, said Carter, you have not proven your "good faith," we will resume the arms race..."

"... This time, it is not simply a matter of sneezes, but a serious chill, which frankly may take us back to a cold war atmosphere. Carter is gambling: the Soviets are as much, if not more than the Americans, in need of a strategic accord, because of the state of their economy, and perhaps also because of Brezhnev's health. His looks struck the journalists and the members of the U.S. delegation, and reawakened many rumors."

Le Matin de Paris, April 4:

"...Contrary to traditions, Jimmy Carter welcomed his Secretary of State upon his arrival in Washington Saturday night. He went as far as to say, against all probability, that the Moscow talks had been very productive."

Le Figaro, April 2-3, article by Raymond Aron:

"... In other words, the Soviet Union's rejection of the two alternatives could and had to be predicted. The only question deserving to be asked concerns President Carter himself: did he believe that Leonid Brezhnev would grant him, as a sort of inauguration gift, what he had denied Henry Kissinger? Or did Carter think that he would for the first time obtain from the Soviets an authentic reduction of strategic armaments and not, as in the case of previous accords, a simple limitation which does not noticeably slow down the efforts of either party? Supposing that he entertained such illusions, experience has dispelled them."

L'Humanité, April 1 article by Yves Moreau:

"... The way Mr. Carter commented on the results of the Moscow talks is likely to even worsen the attitude of his Secretary of State. Indeed, not only does the U.S. President attempt to switch responsibilities around by

calling to question the Soviets' good faith, but he thinks he can indulge in a blackmail heavy with consequences. He has announced nothing less than a future relaunching of the arms race.

"... This threat is not aimed solely at the Soviet Union. It concerns the entire world. It violates one of the fundamental principles of the final Helsinki agreement.

"Thus, two months have been enough for Mr. Carter to betray the promises of his inauguration speech... 'Henceforth, what credibility can we attribute to his statements on human rights?'"

Le Figaro, April 1:

"The (U.S.) 'hawks' are also satisfied. They believe — and the events in Moscow seem to confirm their views — that it is virtually impossible for Leonid Brezhnev to obtain an agreement from the party, and especially from the army, concerning a drastic reduction of the number of missiles. In sum, Carter's enlarged project seems to them already condemned."

Le Nouvel Observateur, April 4

A "Hawk With A Dove's Wings":

"... The Blackmail — that's what it's all about — reinforces in Moscow the camp of those who see in Carter 'a hawk with a dove's feathers.' They are convinced that the new American team is engaged in a lengthy operation whose final goal is the internal destabilization of the Soviet regime. Suspicion does not encourage conciliation. If Jimmy Carter sticks to his positions, some people do not rule out the possibility that the Kremlin will attempt in the coming weeks to prove that, after all, the USSR is not at all that weak and that megatons, in case of crisis, can play an important part. If that is true, it's time to fasten your seatbelts."

Financial Times, April 4 "Talks Failure Puts Carter Under Fire":

"President Carter is coming under fire at home for the way in which last week's arms control talks in Moscow were handled... Correspondents travelling with the Secretary of State's party, which returned here last night, report that some senior officials have conceded privately that they may have misjudged the mood in Moscow... Some of the strongest criticism of the President's approach comes from those who have never liked the Carter open style. They say the brusque Soviet reaction to the Vance visit was an inevitable result... Other commentators praise the Carter proposals but have major reservations about the way in which they were delivered. They say that the Administration has yet to understand the complexity of dealing with the Soviet Union.

"Mr. George Kennan, the doyen of American experts on Russia took strong exception to the Carter approach in

an interview in today's *New York Times*. he said the new Administration made "just about every mistake that it could make" in the Moscow talks... Such criticism may not signal the end of the "honeymoon" period which the President had been enjoying. But there will probably be more of it as further details of the negotiations filter out..."

The Times, April 4:

"Congress, by and large, has been applauding the President on the principle that anything that annoys the Russians must be admirable. Hawks of various descriptions also approve the President's actions.

"There are plenty of critics, however. Mr. Joseph Kraft, the columnist attacks what he calls President Carter's "cocky disposition to think foreign policy is an easy matter that can be handled in public without concessions to adversaries or safeguards against failure." ... Mr. Kraft also contends that the proposals Mr. Vance took to Moscow were "so strongly weighted against Russia as to be unreasonable." His criticism of the President are far sharper than most other people so far, but are probably a fair indication of the line of attack the liberals might adopt before long..."

The Sunday Times, April 3:

Notes that "after Carter has chosen his entourage," experts in Soviet-American relations "predicted a further ripening of the détente relationship. Then, like a hammer blow to their pride and expectations, Carter took up the dissident's cause. The villain, who some of the experts in Soviet-American relations suspect of having inspired this campaign, is Brzezinski..."

Corriere della Sera, April 4:

Reprints part of the speech delivered the day before during the Italian Communist Party regional conference in the Marches region by Central Committee and Directorate member Armando Cossutta; here follow *Corriere's* quotes from the Cossutta speech:

"... The U.S. has kicked up a lot of dust in order to mask the real nature of its policies which aim at hardening relations between the superpowers instead of (aiming for) peaceful coexistence and détente... If the lack of an agreement (between the U.S. and USSR) leads to such a hardening — a matter of serious worry — the consequences will be very grave for anyone... All the peoples of the world need a policy of peaceful coexistence and the development of the process of détente... The voices of all peoples must once again make themselves heard in order to impede the arrest of international détente... The Italian people in particular need to strengthen and extend its ties of friendship and its commercial, cultural, and political relations with all countries... A hardening (between the superpowers) would lead to new and terrible dangers."