New Congressional Watergate Unit Authorized

Capitol Hill sources are wondering if the Watergate Prosecutor has returned to Washington. Last Week the Senate suddenly passed a law establishing a special prosecutor to investigate actions of the President, Vice-President and Cabinet, should the Attorney-General decide evidence exists indicating illegalities in the Executive branch. Observers note the Senate move is not unrelated to the growing bi-partisan dissatisfaction with the Carter Administration; the bill, passed by an overwhelming 74 to 5 vote, had been lying dormant on the Senate desks for several years...

A backroom meeting reportedly took place last week where a number of the President's top supporters met to reevaluate their man. The consensus of the meeting according to those in the know, is that Carter is now considered a liability. . . Coinciding with this meeting a number of newspapers are reporting that Vice-President Walter Mondale has been well prepared to take over the Presidency if necessary, Declared Newsday, "If the office of President should become vacant tomorrow, all the threads of information that a new President would need to carry on would be in Mondale's hands..."

Senator Jake Javits has just left for a Middle East tour, stopping primarily in Israel and Saudi Arabia. Javits wants to revive Henry Kissinger's shuttle diplomacy, and to regain some U.S. leverage in the area. Georgetown University sources close to Kissinger report that "Javits has been a Kissinger man for a long time. Everybody loved Kissinger, both the Arabs and Jews."

Sources close to Javits report that his office is extremely critical of the White House foreign policy and the approach of National Security Council Director Brzezinski. "We are not even sure the administration knows what their Africa policy is. Their Cuba, Korean and Middle East policy have not been handled well. Their foreign policy has no cohesiveness. With Kissinger there was a gameplan, a conceptualization, an overall concept. There is none of that now. The parts don't fit into a

WASHINGTON WEEK

grand view." Alas, lamented this Kissinger admirer, the White House has major difficulty bringing back Kissinger publicly.

And so Henry Kissinger met quietly with Jimmy Carter last Thursday afternoon...

The House International Relations Subcommittee investigation into illegal Korean CIA activities in the U.S. still has Kissinger under fire. People familiar with the investigation report that the subcommittee headed by Congressman Fraser (D-Minn) is investigating how much the Executive branch, particularly Kissinger, knew about Korean CIA activities in the U.S. ...

Speaking of Korea, highly informed sources report that there is a burgeoning love affair between James Earl Carter and North Korea's unchallenged leader and sometime Peking ally, Kim Ilsung. These sources report that shortly before his inauguration Carter took the unprecedented step of initiating contact with Kim, informing his new-found friend of his plans to withdraw U.S. ground troops from South Korea, and offering his good services to help improve relations between their respective countries. Contact has been made between the two countries, these sources report, in what Mr. Carter hopes will fit his attempt to establish an alliance with Peking against the Soviet Union.

The Carter Administration's attraction to North Korea was inadvertently revealed by Richard Holbrook, Assistant Secretary of State for Asia and the Pacific, before a Magazine Publisher's Association audience last week. Holbrook told the publishers: "The period, which is the period of our containment of China and our opposition to North Korea and North Vietnamese efforts to extend their control, has clearly ended." This rather startling reference to North Korea, missed by American listeners, was picked up by an astute South Korean journalist and blasted across the front pages of that country's press. Subsequently at a background briefing on Vance's recent Asian policy speech, Holbrook was confronted by a Korean journalist with his statement. Holbrook blustered that he had been "misquoted by the Korean press." The journalist then offered to play him a tape recording of his address - Holbrook refused the offer, changing his tune to say that he had been "quoted out of context." One thing is for sure. the South Koreans are watching the Carter Administration's gestures to their North with an eagle eye and may be planning some gestures of their own perhaps to the east.

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James Schlesinger is reported to be writing a blueprint for U.S. response to a "sudden energy emergency," including a detailed plan for rationing oil and gasoline and an import quota. Meanwhile Congress has been told by House Speaker Tip O'Neill, to report on the Carter energy package to the Special House Ad Hoc Committee on Energy. Schlesinger's program, to be implemented through the Energy Department Carter will sign into law next week, could be triggered by a new Middle East war - or a decision that the current energy program has flopped.