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DDA Memo, 4 Apr 77

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GENERAL

Date: 15 MAR 1978 By: []

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1. UK preparing detailed Palestine recommendations--US

Ambassador Douglas reports that the British Foreign Office is preparing detailed proposals for a permanent division of Palestine along the lines of the present de facto Arab-Jewish frontiers and hopes for an early integration of US and British views on the subject. According to Douglas, the British provisionally think that the best Palestine solution under present circumstances would follow the lines of Count Bernadotte's previous proposals, but would omit, on grounds of expediency, any specific provisions for economic union. The plan would thus provide for: (a) an independent Israel including most if not all of Galilee; and (b) an Arab territory, including the Negeb, which would be governed as desired by the Arabs. In order to reassure both sides, specific frontiers would be subject to international guarantees. The plan would include some form of international responsibility for Jerusalem which might place the city under Arab sovereignty; Haifa would be either made a free port or placed under some form of international control.

Douglas adds that the British doubt whether either the Arabs or the Jews would accept such a solution for some time to come, and that the Foreign Office consequently stresses the need for closely coordinated US-UK efforts in obtaining forceful UN action and in bringing pressure to bear on the two parties.

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2. Israeli Governor of Jerusalem "uncooperative" with Mediator--

US Consul General Macdonald in Jerusalem reports that, in conversations with the UN Mediator, the Israeli Military Governor of Jerusalem was "unfriendly, uncooperative, and defiant." According to Macdonald, the Military Governor: (a) concluded a vitriolic attack on the UN by stating that the Jews had no confidence in the UN and regarded it as a "laughing stock"; and (b) subsequently stated, on instructions from the Provisional Government of Israel, that he could not discuss with the Mediator the demilitarization of Jerusalem because Israel had not yet accepted demilitarization. In principle Macdonald believes, however, that "even at this late stage" both Arabs and Jews will

DIA & DOS review(s) completed.

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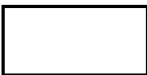
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acquiesce in the internationalization of Jerusalem, if the city is first demilitarized by "concrete, energetic action" including the immediate provision of regular troops by the three Truce Commission members (the US, France, and Belgium). Macdonald adds that unless such forces can be provided, the whole demilitarization project should be abandoned as impractical.

EUROPE

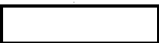
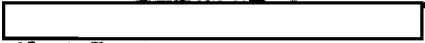

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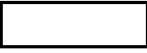
- 5. AUSTRIA: Renewal of treaty negotiations suggested--Austrian Foreign Minister Gruber has urgently suggested to US Legation Vienna that, if an agreement is reached to re-open quadripartite discussion on Germany, the US propose a concurrent renewal of Austrian treaty negotiations. Gruber believes that a "favorable climate" for negotiations on Austria may result from the recent diplomatic talks with Stalin, and that the USSR would be prepared to accept a proposal of further Austrian treaty discussions. Gruber says that Soviet Deputy Foreign Minister Vyshinsky has declared to a high-ranking Austrian diplomat that the USSR is eager for an Austrian treaty and that the only outstanding issue of direct concern to the USSR is that of the German assets in Austria.



NEAR EAST-AFRICA

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- 4. IRAN: USSR again demands end of US military aid--
 informed the US Military Attache that Soviet Ambassador Sadchikov, in two recent conversations with Prime Minister Hajir, demanded that the US Military Mission to the Iranian Army be removed and that the Iranians refuse to accept US arms. 
Sadchikov reportedly observed that Iran "absolutely refused" to cooperate with the USSR, announced that his health was bad, and declared that he was returning to the Soviet Union.



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