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 OMB WASH DC

12 Apr 1979

General Haig

INFO AMEMB LISBON PORTUGAL
 USMISSION NATO BRUSSELS
 SECDEF WASH DC ASD/ISA
 ADV TO SECDEF AND DEP SECDEF FOR NATO AFFAIRS
 THE PENTAGON
 CINCLANT NORFOLK VA
 USDOCOSOUTH NAPLES ITALY
 USCINCEUR VAIHINGEN GERMANY

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PERSONAL FOR SECRETARY BROWN, SECRETARY VANCE, GENERAL JONES,
 MR BRZEZINSKI, MR MCINTYRE, INFO: AMBASSADOR BLOOMFIELD,
 AMBASSADOR BENNETT, ASD MCGIFFERT, AMBASSADOR KOMER, ADMIRAL
 TRAIN, ADMIRAL SHEAR, GENERAL HUYSER AND LTG GRAVES FROM
 GENERAL HAIG.

SUBJECT: MILITARY ASSISTANCE FOR PORTUGAL (U)

1. (S) LAST WEEK I MADE MY FAREWELL VISIT TO LISBON. I
 RETURNED DEEPLY CONCERNED WITH THE GRAVITY OF THE POLITICAL
 AND ECONOMIC SITUATION IN PORTUGAL AND THE FAR-REACHING
 CONSEQUENCES OF THE ANNOUNCED DECISION TO DISCONTINUE U.S.
 MILITARY GRANT AID AFTER 1980.

2. (S) PRESIDENT EANES AND HIS MODERATE GOVERNMENT ARE IN
 INCREASING DIFFICULTY. EXTREMISTS AT BOTH ENDS OF THE
 POLITICAL SPECTRUM ARE MANEUVERING IN ADVANCE OF THE 1980
 ELECTIONS AND, AS AMEMB LISBON HAS REPORTED, THE MOTA PINTA
 GOVERNMENT HAS ONLY A 50-50 CHANCE OF SURVIVING TO THAT DATE.
 THE CESSATION OF U.S. GRANT AID PROVIDES AMMUNITION FOR THE
 PRESIDENT'S OPPONENTS TO SHOW THAT HE NO LONGER HAS THE
 SUPPORT OF THE UNITED STATES AT A TIME WHEN HIS ABILITY TO

***** WHSR COMMENT *****

ZB, BAR, IND, GA
 FURTHER DISSEM???

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NLJC-2006-076

per 7/11/06 NLJC/HF

BY US NARA, DATE 7/11/06

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STEER PORTUGAL THROUGH ITS CURRENT POLITICAL AND ECONOMIC PROBLEMS IS BEING INCREASINGLY QUESTIONED. WE SHOULD ANTICIPATE THAT EVEN THE PRESIDENT'S SUPPORTERS AND SEGMENTS OF THE ARMED FORCES WILL LAY THE BLAME SQUARELY ON WASHINGTON FOR BOTH THE RESULTANT INABILITY TO COMPLETE THE MODEST ARMED FORCES MODERNIZATION PROGRAM AND FOR OTHER CONDITIONS WHICH SERIOUSLY JEOPARDIZE THE CONTINUED VIABILITY OF GOVERNMENT BY MODERATES IN PORTUGAL.

3. (S) FURTHER WORSENING THE SITUATION IS APPREHENSION ON THE PART OF OTHER ALLIES TO CONTINUING OR INCREASING THEIR OWN MILITARY AID TO PORTUGAL. SHAPE HAS INSISTED REPEATEDLY TO ALL ALLIES THAT AID TO PORTUGAL IS A NATO-WIDE PROBLEM. SLOWLY BUT SURELY WE WERE MAKING PROGRESS. HOWEVER, WE NOW HAVE FIRM INDICATIONS THAT WITHIN THE BUNDESTAG THE ANNOUNCED HALT OF U.S. GRANT AID WILL IMPERIL THE CURRENT MAJOR FRG MILITARY ASSISTANCE PROGRAM TO PORTUGAL AND WILL DERAIL INITIATIVES UNDERWAY WITHIN THE NATO AD HOC GROUP.

4. (S) IT IS PROBABLY TOO LATE TO UNDO TOTALLY THE DAMAGE. IT IS ALREADY CLEAR THAT PORTUGAL WILL NO LONGER ALLOW UNRESTRICTED U.S. ACCESS TO MAINLAND BASES WITHOUT SOME MAJOR CONCESSION ON OUR PART. HOWEVER, A QUICK MOVE TO RESTORE AN ANNUAL \$39 MILLION PER YEAR GRANT AID PROGRAM THRU THE PERIOD OF THE LAJES AGREEMENT AND TO HELP PROVIDE THE FSE SQUADRON--FOR WHICH PORTUGAL WILL PAY PART WITH THE LAJES QUID, IF MAP IS EXTENDED--WOULD BOLSTER URGENTLY NEEDED INTERNAL CONFIDENCE AND ALLOW FUTURE U.S. REQUESTS FOR MAINLAND BASE ACCESS TO BE RECEIVED IN A FAVORABLE ATMOSPHERE.

5. (S) THE ESSENCE OF THE PROBLEM IS THAT THE LONG TERM DOLLAR COST TO THE U.S. OF AN EMBITTERED PORTUGAL WOULD FAR EXCEED THE MINIMAL LEVELS OF MAP ANNO F-SE COSTS AS PLANNED AND APPROVED IN CONCEPT IN 1976 AND 1977. ULTIMATELY, THE COSTS MIGHT WELL INCLUDE THE TOTAL LOSS OF BASE ACCESS TO LAJES. PRESIDENT EAMES CLEARLY HINTED SUCH A SHORT TERM CONSEQUENCE IN HIS UNCHARACTERISTICALLY CRITICAL COMMENTS TO ME. AS RECENTLY DEMONSTRATED, THE STARK REALITY IS THAT WE NEED BASE ACCESS AS BADLY AS PORTUGAL NEEDS ANNUAL GRANT AID. MOREOVER, PRESIDENT EAMES AND HIS PEOPLE SEE EVENTS UNFOLDING IN THE MIDDLE EAST WHICH COULD MAKE ACCESS TO PORTUGUESE BASES EVEN MORE VITAL TO U.S. NATIONAL INTERESTS. WE CAN BE SURE THAT PORTUGAL WOULD USE THIS LEVERAGE TO ITS FULLEST WHEN THE CURRENT LAJES LEASE EXPIRES IN 1983.

6. (S) PRESIDENT EAMES KNOWS THAT WASHINGTON CANNOT COMMIT THE CONGRESS IN ADVANCE TO A SPECIFIC AID PROGRAM. BUT CLEARLY, A COMMITMENT TO TRY, UNDER THE EXISTING CIRCUMSTANCES

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IS INFINITELY BETTER THAN NO COMMITMENT AT ALL. FAILURE
TO ACT QUICKLY COULD RESULT IN AN ULTIMATE COST SIMILAR TO
OR WORSE THAN THAT CREATED BY OUR 1975 HANDLING OF TURKEY.

NAIS.

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per 7/11/06 NSC H/R
7/21/06

MEMORANDUM

OFFICE OF THE VICE PRESIDENT
WASHINGTON

~~SECRET/EYES ONLY~~

Memo No. 402-79

May 10, 1979

MEMORANDUM FOR THE VICE PRESIDENT

FROM: Denis Clift *DC*
SUBJECT: Foreign Policy Breakfast,
Friday, May 11, 1979

Egypt

Carter-Brezhnev Summit Site

As a result of my own investigations, it is my information that Vienna, Austria has been chosen as the site for the US-USSR summit. I do not know whether you can confirm this, but if I am correct, I believe Vienna poses a unnecessary problem which can be rather easily solved.

If Vienna is the site, the Administration is taking a conscious and deliberate decision to force every reporter and media correspondent covering the summit to recall that Vienna was the site of the Kennedy-Khrushchev talks in 1961. That summit, as you know, still has very negative connotations -- as it has been widely reported that Khrushchev misread Kennedy, saw him as a weak leader, and that this led first to the Berlin Wall and then to the Cuban crisis.

I believe it is politically bad judgment to force the media to compare this summit with the 1961 Vienna summit -- the story that will logically flow will be the Soviets' subsequent actions after the '61 talks and how that fact remains in the minds of so many Americans who so mistrust the Soviets in 1979 and have grave doubts about verification -- in brief, to pick Vienna is to start off with a disadvantage.

I think Austria is fine -- it is the Vienna label that is troubling. It is my understanding that Salzburg is not considered satisfactory because the logistics and lodging for two summit parties with accompanying press are not adequate. Having been there with Ford for his talks with Sadat in 1975, I am not sure that this is the case. Another alternative in Austria would be to pick a palace -- a schloss -- such as Schloss Esterhazy in Burgenland, Austria.

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Classified by A. Denis Clift
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I really think the question of how Vienna will play in terms of our SALT II prospects in the US is not a minor issue and deserves another look by the President and his chief advisers.

SALT Verification

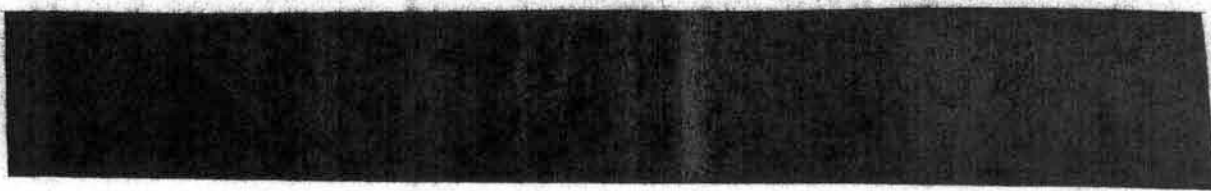
As a result of your Thursday afternoon SALT verification briefing, you may wish to underline to the President and to the breakfast participants the requirement for the Administration to speak "effectively and with a single voice" when dealing with members of the Senate on the SALT II treaty and how we will verify it.

This is the heart of obtaining Senate consent, and at present, various agency representatives -- well intentioned and competent -- are speaking to individual Senators and Senate committees from the compartmented viewpoint of their agency. In terms of obtaining Senate consent, the CIA presentation is particularly troublesome and, in fact, comes across as a negative presentation given CIA's position that it only "monitors," that it does not "take policy decisions on verification." The CIA briefer concentrated on CIA's relative weaknesses in the monitoring field. If this is the main briefing that a Senator receives, he will walk away from the briefing more in doubt about the treaty than he was before the briefing began.

Our presentation on verification requires policy direction and it requires coordination so that members of the Senate can understand in effective terms that the CIA through its monitoring can flag treaty problems before they become a military problem for the US and that we can then address these problems with the Soviets in a timely and meaningful fashion.

USSR-Saudi Arabia

The May 10 morning intelligence carried a fresh report of Soviet efforts to establish a diplomatic presence in Saudi Arabia, adding that Moscow has been trying to arrange meetings with Saudi officials to press the Soviet case for improving relations, and the Soviet media have praised Saudi foreign policy in the wake of the Egyptian-Israeli peace treaty.



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When a grain of sand shifts in the desert oil fields, we should know about it, given our dependence on Saudi oil and our need to manage our relations to keep that oil coming for the foreseeable future.

I recommend that you note this intelligence report and that you suggest that Cy and Zbig take a fresh hard look at how we are set up, both here and in Saudi Arabia to manage our relations -- that you recommend that they forward recommendations on any steps, including added resources and added people and possible changes in people to make sure that we are fully on top of developments in Saudi Arabia.

Middle East

Secretary Vance departs for London on May 20. From the 23rd through the 27th he will be in Cairo, Jerusalem and El Arish (from there he will be in Rome from the 28th, then in the Hague for the NATO Ministerial, then in Madrid, returning on June 1).

You may wish to ask Vance to comment on Sadat's recent actions. His public condemnation of Saudi Arabia a few days ago was hardly helpful. To me the question of how we encourage Sadat to keep his language as constructive as possible is extremely important at this point.

~~Dugan~~
~~DeAngelis~~

MEMORANDUM

OFFICE OF THE VICE PRESIDENT
WASHINGTON


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INFORMATION

Memo No. 414-79

May 17, 1979

MEMORANDUM FOR THE VICE PRESIDENT

FROM: Denis Clift 
SUBJECT: Foreign Policy Breakfast,
Friday, May 18, 1979

SALT

Secretary Vance will have met with Ambassador Dobrynin on Thursday to receive answers to 3 important questions:

1. Soviet views on the summit agenda;
2. Soviet position on U-2 overflights of Turkey/SALT verification;
3. Soviet response to our proposals for assurances relating to MFN.

You may wish to note that SALT will be the subject of your Boston College commencement address, Monday, May 21 -- you have a draft which we have coordinated with David and Roger Molander.

CIA on SALT and Rhodesia

I still hear great concern being expressed over the position CIA is taking on SALT verification and, more recently, the elections in Rhodesia. CIA basically is saying that it will offer factual information but that it will not make "political judgments" and this position is perceived by members of the Congress as being a statement of reservation over US policy being carefully advanced by the agency. I recommend that you ask Vance and Charles Duncan how they are progressing on their proposal to improve coordinated Executive Branch presentations of the verification issue.

Vance Overseas Mission

Vance departs Sunday on his major overseas mission to the UK, Middle East, Rome, the Hague and Spain.

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I have separately provided you with Vance's Rhodesian options and the papers prepared by Dick Moose and his staff (for your meeting with Moose) presenting options on Case-Javits. Vance will be discussing these options -- how to handle either a negative or positive Presidential determination.

Vance will also offer a preview of the approach he plans to take in the Middle East with Begin and Sadat.

Middle East Negotiations

I am attaching at Tab A the paper used at yesterday's PRC meeting on Middle East negotiations -- it is a slightly refined revision of the paper you had at the foreign policy breakfast two weeks ago. Ed Sanders is very worried that State is again building up to a new round of "let's beat up the Israelis," (see page 3 on settlements) and he is worried about State's inclination to bring the PLO into the talks in a way that will arouse Israeli ire (see pages 4-5). As we have discussed, an incredibly subtle balance will be required between now and the end of 1980 to keep the West Bank/Gaza talks on track without turning the Israelis and public opinion in the US against the Administration - this, of course, is the reason for the Bob Strauss appointment. When Vance is commenting on his coming talks in the Middle East, you may wish to offer your views of the balance required in the US position.

Saudi Arabia

I continue to think it is of vital importance that we take every possible step to beef up our attention to Saudi Arabia and our representation there. I do not know whether you mentioned this last week but you may wish to do so in the context of the Vance mission -- my point being that given our energy needs, the Saudis have assumed a place of tremendous importance and we must know what is going on there and we must be prepared to make the best possible representations in Washington and Saudi Arabia to protect our interests.

People's Republic of China

Since the last breakfast you have had dinner with Ambassador Chai who has extended an invitation to you to visit China, preferably this autumn. Working with Zbig, David, Mike Oksenburg and Dick Holbrooke, we are preparing a timing and visit-substance options paper for your consideration, to permit you to go forward with a firm recommendation to the President.

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PRC Meeting on West Bank/Gaza Negotiations Discussion Paper

The purpose of this paper is to provide an overview of the issues we will be facing as we move into the West Bank/Gaza negotiations. At this stage we believe the most useful purpose that the PRC meeting can serve is to focus discussion on the main lines of our policy approach as discussed herein and to make sure we are all in broad agreement that this is the way to proceed.

THE TWO SIDES' PERSPECTIVES ON THE NEGOTIATIONS

Substantive issues aside, Egypt and Israel will be approaching these negotiations from very different points of view. To the Israelis, the issues they now face raise fundamental questions not only of security and survival but their very philosophy as a nation. As the tough issues of land ownership, the future of the settlements, water rights, and security arrangements arise, Begin will be both wrestling with his own deeply-held ideological beliefs and also waging a tough domestic political battle whenever he attempts to lead his party, the Cabinet and the Israeli public toward new positions. This fact alone will make these negotiations different in character from the Egypt-Israel treaty negotiations.

In contrast, for the Egyptians, the West Bank/Gaza negotiations will be a less immediate and emotional issue. There is no burning passion in Egypt these days for the realization of Palestinian rights. Nevertheless, Egypt's current isolation within the Arab world is a troubling development for most Egyptians, and they know that Sadat's failure to get more for the Palestinians in the negotiations so far is at the root of it. Many of Sadat's advisors--perhaps Sadat himself--have misgivings that he has gone too far toward a separate peace and based his strategy too much on promissory notes from the Americans. They do not doubt President Carter's personal sincerity, but they fear that confronted by other international and domestic priorities the Administration may not be able to produce results.

Thus, if the negotiations appear not to be producing the minimum Sadat feels he needs, he will become more susceptible to advice that despite good American intentions the process is bogging down and he should begin to

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mend his fences with the Arab radicals. To be credible, such a shift in policy would have to "freeze" or slow down implementation of the bilateral Treaty, which would involve heavy risks for Egypt that Israel in turn might not carry out the second phase of withdrawal from Sinai. Yet Sadat could be driven to such a course if he concludes the results of these negotiations are likely to be so negligible that they are certain to be spurned by the other Arabs.

Another underlying factor that we will wish to keep in mind as we approach these negotiations is the basic disparity of view that is likely to emerge between ourselves and the Israelis as to the minimum that we can live with as an outcome of these negotiations. As the Israelis formulate their negotiating strategy they will probably accept the premise that unless there is some agreement between themselves and Egypt by the end of the year the implementation of the bilateral Treaty will be placed in jeopardy. But they would probably go on to estimate (possibly accurately) that Sadat has so much at stake himself in the implementation of the Treaty that he would, in the crunch, accept relatively little by way of results in the West Bank and Gaza. If the objection were then raised that such a minimum would probably not be enough to engage the support and participation of the other Arabs, the Israelis would not be overly dismayed. Israel's main interest is in making the Egypt-Israel bilateral peace stick and its strategy will be to do just enough to make Egypt feel that on balance there is a net advantage in proceeding with implementation of the peace treaty, even if it means Egypt's isolation from its Arab brethren.

Our own perspective will be different because of our judgment that the protection of U.S. interests in the Middle East requires that we keep the overall political dynamic of the area moving in a positive direction. It is vital to us that the Arabs as a whole do not reach the conclusion at the end of the year that the peace process has reached a dead end. This will lead the U.S. to see the necessity for a more substantial outcome than the Israelis feel they need from the standpoint of their own interests.

WINNING ARAB SUPPORT

Perhaps our primary substantive job at the outset is to build the credibility of the peace process with the Arab parties now opposed to it. They are unlikely to move away

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from the Baghdad decisions in the immediate future. Our best hope is that their position might change if we were able to demonstrate that the West Bank/Gaza negotiations are serious and could produce a respectable result. There are three ways of demonstrating the seriousness of the effort at the outset:

-- Most of the friendly Arabs say that they would have a very different attitude towards these negotiations if the U.S. could produce an Israeli agreement to suspend the establishment of new settlements in the West Bank and Gaza during the negotiations.

-- Another area where U.S. movement might persuade the Arabs we are serious would be a concrete move toward the Palestinians, particularly the PLO. Most Arabs tell us that a U.S. move in this direction would significantly enhance our credibility in the Arab world and hence begin a process of blunting Arab opposition to the negotiations.

-- A third area, critical throughout the Islamic world, is what can be said about Jerusalem. Muslims oppose the negotiations because they do not address the status of Jerusalem.

Israeli Settlements. According to reports, Begin has already made a deal with the settlement zealots in the cabinet that in return for their support of the Treaty he would agree to their proceeding with plans for new settlements. We have to decide what our diplomatic response will be and what if anything we will say publicly--more than our present standard response--if new activity is resumed.

We will be in the strongest position to gain Israeli agreement for a freeze on further settlement activity in the context of the negotiations on land ownership, when some concessions to the Israelis--perhaps in the form of the right of individual Israelis to buy land in the West Bank and Gaza--might be offered. But if we try to avoid the issue until it comes up in the negotiations (and the Israelis will try to delay this as long as possible) we will incur losses on the Arab side.

We have the following possible alternative approaches for dealing with this issue in the immediate future:

-- We can defer any diplomatic effort with Israel, or any public confrontation, taking the line publicly and with

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the Arabs that this issue can only be dealt with in the context of negotiations on the land issue.

-- We can keep our public posture on the issue low-key while we make a concerted effort through diplomatic channels to build a new approach to the Israeli government on this issue. Several members of the Israeli negotiating team may understand that the best way for Israel to negotiate the long-term right of Israelis to stay in the West Bank is to restrain new settlement activity during the negotiations. We might try both among Israeli officials and Israel's supporters here to build support around Begin for agreed limits on further activity pending and during the negotiations. While our chances of achieving a total freeze are slim, we might succeed by this method in getting Begin's agreement to manage further activity during the negotiations with restraint.

-- We could decide that, if we are serious about inducing a new Israeli decision on this issue, the best way to prepare the ground is to stake out our public position now. The apparent weakness of this approach is that we have no follow-on in the way of action that we can plausibly take in the present context when the Israeli government digs in, as it is certain to. On the other hand, the actions of the Begin government may be moderated most effectively by the prospect of a battle for American public opinion which--on this issue--it will undoubtedly lose. The Arabs in any case are likely to misread silence on our part as signalling a new policy, more receptive to Israeli settlement activity. //

Bringing the Palestinians into the Negotiations. It appears doubtful that any Palestinians will be induced to appear at the negotiating table at the outset, or if they do, that they will be individuals who have important credentials with the Palestinian community as a whole. We should not be deterred by this but proceed with a long-range strategy of seeking gradually to draw representative Palestinians in through informal consultations with them. We can fix as an objective that at the end of the year we hope to achieve PLO acquiescence in (if not formal agreement to) the emergence of a West Bank moderate leadership in the West Bank and Gaza that is willing to participate in the elections. To reach this goal, we will need to work on three fronts:

-- maintaining a substantive dialogue with key Palestinians resident in the West Bank and Gaza;

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-- keeping the PLO informed accurately in some way and combatting any suspicion that we are seeking to divide the Palestinians as the negotiations evolve; //

-- being alert for opportunities to articulate the US position on the issues of importance to Palestinians.

In coordinating the effort on the first two fronts, we believe the main emphasis should be on the dialogue with West Bank/Gaza leaders. We would not expect the PLO to make concessions in its present position for at least the time being. Rather we should see as our main goal building up a sufficient stake for the West Bankers and Gazans in the negotiated outcome to induce them to take a stand that they will not allow the PLO to block installation of the Self-Governing Authority.

Jerusalem. The deeper aspects of the Jerusalem problem concerning final arrangements for the city need not be addressed in these negotiations. But in at least two respects we will have to deal with Jerusalem early on.

The first and most immediate is the question of whether the formerly Jordanian-held sector is included when we speak of the geographic term "West Bank". Sadat may come under more intense Arab pressure to show ideological rigidity on this issue than any other in the opening round of negotiations. An early crucial issue could arise on whether Jerusalem should even be mentioned on the agenda. Later in the negotiations it will of course occur in the process of addressing whether East Jerusalemites will be allowed to vote for the Self-Governing Authority and whether the powers and responsibilities of the Authority extend to east Jerusalem. //

Looking somewhat further down the road, we might think in terms of supporting a compromise on Jerusalem which would give the Arab East Jerusalemites the right to vote and run for election but, for the transitional period, did not extend the authority of the SGA to east Jerusalem. This would, however, still leave the problem of defining the geographic limits of the city. "Greater" east Jerusalem as defined by the present municipal borders, which were expanded by Israel following the 1967 war, sits astride the West Bank's major east-west and north-south roads and encompasses the only West Bank airport.

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THE SOVIET ELEMENT

At the same time we are concerned with the Arab element in the negotiating equation, this is also a good time to think again about whether we cannot move the Soviets toward a less obstructive posture toward the peace process.

The options available range from continuing to stiff-arm the Kremlin on a role in the peace process while keeping them informed to a U.S. pledge to the ultimate revival of the Geneva Conference. Our problem is to devise an approach that will provide enough incentive to bring the Soviets toward a more acceptable policy without giving them a significant handle on the peace process or undermining our own strategy in the negotiations. The latter consideration appears to eliminate a pledge to reconvene Geneva at this time and to suggest a course whereby we might intensify our dialogue with the Soviets short of committing ourselves to a new course.

Almost any deal that we could live with at this point is probably going to be short on incentives for the USSR because it would require them to seem to be backing away from support for unqualified Palestinian self-determination and to be buying our approach. As a practical matter, therefore, we probably cannot expect dramatic results in this area from our available options.

CONDUCT OF THE NEGOTIATIONS

Initial Phase.

We need to bear in mind some important differences between the West Bank/ Gaza negotiations and those concerning the Sinai:

-- Two of the parties most directly involved, Jordan and the Palestinians, will not be represented at the table, at least for some time. Egypt is, this time, a proxy.

-- The equation foreseen in Resolution 242--peace for territory--is conspicuously absent as the negotiations begin. On the Arab side, there is no counterpart to Sadat's trip to Jerusalem, nor do we expect there to be one; on the Israeli side, there is no commitment to ultimate withdrawal from the West Bank or Gaza as there was from the Sinai.

-- Issues such as Jerusalem, Israeli settlements, and the powers and responsibilities of the Self-Governing

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Authority evoke an interest throughout the Arab world far greater than was the case regarding any of the issues involved in the Sinai. At the same time, these same issues evoke a level of emotionalism within Israel that was not present in the Sinai negotiations.

-- Issues such as land ownership, water disposition and several economic issues are highly technical in nature, and the Egyptian delegation cannot be realistically expected to be able to adequately represent the Arab side.

However the agenda is structured, we would expect the parties to engage initially in fairly general discussion, with each side endeavoring to put on the record issues of key concern to its respective audiences. With the Egyptians stressing such subjects as Israeli settlements and the status of Jerusalem, and the Israelis elaborating on the Begin self-rule plan, we can expect this initial phase to come to an end rather quickly. At that point, the U.S. may have to take the lead in suggesting that the talks divide into working groups. We have identified the issues that might be appropriately dealt with by each working group, and our own delegation could be so structured that we would be able to place one knowledgeable person with each group.

It seems preferable to allow the Egyptians and Israelis to deal with each other directly as much as possible in the early stages of the talks and for the U.S. delegation to refrain from tabling substantive proposals until somewhat later. It is evident from the foregoing, however, that we will not be able to remain completely disengaged from the process even at the outset, nor would that necessarily be desirable. We will nevertheless want to confine our early involvement to helping resolve procedural problems or to assisting with the compilation of a common data base on technical issues.

The Substantive Issues.

A number of key and complex issues lie at the core of these negotiations, and it is reasonable to assume that fairly early, the negotiating delegations will break down into working groups to try to make as much progress on each of them as possible.

-- Election Modalities. The tough issues here are whether the Arab residents of east Jerusalem, and the Palestinians listed as 1948 refugees, should vote in the elections to establish the Self-Governing Authority.

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-- Structure and Function of Self-Governing Authority. The Israelis will fight hard to give as little ground as possible beyond Begin's 1977 "self-rule" plan which provided only for "administrative autonomy" (running their day-to-day affairs) rather than "full autonomy" (genuine self-government). The Egyptians will demand, at least initially, that most of the powers and functions associated with a sovereign state be transferred from the Israeli military government to the Palestinian Authority.

-- Security Arrangements. Israel will want to retain as much control over security as possible, while the Arabs will see a strong element of local control as an important test of whether the transfer of authority is real or a sham.

-- Land and Settlements. Seen by both sides as a crucial issue and certain to be one of the most difficult to resolve. The Arabs see the Israeli settlements as a form of "creeping annexation."

-- Water Resources. Water pumped out of a well in the West Bank reduces Israel's aquifer (and vice versa). Since water is a resource in increasingly short supply, the question of who controls water use in the West Bank, and how water from this joint aquifer as well as the Yarmouk-Jordan-Tiberias river system is to be allocated, will be a hard-fought one.

-- Economic Arrangements. Some issues here will be tough, but there may be others that are easier to resolve, suggesting that this may be an area in which early progress could be achieved.

-- Refugees. The refugee problem is not at the heart of these negotiations, but the Camp David Framework promised that a start would be made toward resolving it. How the refugee issue is treated will have an important bearing on the attitudes of the Palestinians and other Arab governments toward the negotiations.

The Longer-Term Choice for the U.S.

Beyond the question of how actively we should involve ourselves at the outset is the question of what strategy will guide our participation in the negotiations over the next year. Broadly defined we can think of the autonomy negotiations in terms of two possible approaches.

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-- We can decide that, aside from Egyptian objectives, our own interests in the area require a certain minimal level of achievement on the West Bank/Gaza front. If we choose this approach we assume that before the year is out a significant difference of view with Israel will develop over the issue of settlements and land ownership, and possibly over the powers and responsibilities of the self-governing authority as well. Under this option we would need to begin now to consider when and how to come to grips with these issues so as to have the best chance of resolving them in our favor.

-- The alternative would be for the U.S. to play a more passive role, allowing the Egyptians to bear the brunt of achieving something from the Israelis, and deciding that we ourselves could live with whatever outcome the Egyptian-Israeli negotiation produced. Under this option we would avoid major disagreement with Israel but run a serious risk that the outcome at the end of the year would not be enough to sustain momentum in the peace process.

Possibly the outcome of the second approach--of allowing Egypt to take the lead--would be more likely to result in a deal on Gaza with agreement to defer a solution for the West Bank. Would such a limited outcome persuade the Saudis and other key Arabs that we had "done our best" on the Palestinian issue, and would we stand any chance of subsequently getting anywhere in the West Bank once Gaza had been dealt with separately?

On the other hand, would we be justified in deciding our minimum requirements are a negotiated outcome on both the West Bank and Gaza--with all the difficulties this will entail in our relations with Israel--when we still face the considerable risk that West Bankers and Jordanians could see even this outcome as inadequate, bringing the process to a halt at this point by their refusal to participate in the elections?

We will probably not want or be able to make final decisions on these divergent courses until we see what the prospects for the negotiations are. Realistically, any U.S. proposals designed to bridge gaps, if they are to have the maximum chance of being accepted by Israel, should be withheld until most Israelis can sense the benefits to be

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gained from the Treaty with Egypt and from the West Bank/Gaza negotiations themselves and recognize as well their potential vulnerability. It is at that time that our influence with Israel will be the greatest.

On the other hand, we will probably want to begin as soon as possible to build a case on certain key issues, so that we can expect a significant body of public support in this country for our position when the time comes to come to grips with these issues in the negotiations.

ISSUES FOR DISCUSSION

-- Is there agreement that our objective should be a negotiated outcome for both the West Bank and Gaza that provides a real measure of autonomy and thus also serves our other interests in the Arab world, even recognizing the difficulties this will cause for us with the Israelis?

-- With respect to the objective of winning Arab support, should we begin to build a public case for our policy on settlements now, carefully utilizing those occasions provided by Israeli actions, or are we better off waiting until this can be dealt with in the context of the negotiations?

-- What issues are the best ones to talk about publicly to increase credibility in our intentions with the Arabs while minimizing the reaction on the Israeli side? What should Secretary Vance say in his public address at the opening of negotiations?

-- Is our conclusion right that we have more to lose than to gain by a change in our posture toward the PLO at the present time, and that the emphasis of our approach to the Palestinians should be through informal contacts with West Bank and Gaza leaders?

-- Is a new approach towards the Soviets desirable to attempt to lessen their opposition to the peace process?

-- Are we taking the right tactical approach in letting the parties take the lead in the initial stages of the negotiations, with the U.S. holding back on tabling its own proposals in order to maximize the prospects of their acceptance by Israel?

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MEMORANDUM

OFFICE OF THE VICE PRESIDENT
WASHINGTON


~~SECRET~~

INFORMATION

Memo No. 450-79

May 24, 1979

MEMORANDUM FOR THE VICE PRESIDENT

FROM: Denis Clift 
SUBJECT: Foreign Policy Breakfast,
Friday, May 25, 1979

With Secretary Vance overseas, Warren Christopher will be representing the Department of State. He plans to focus on the Middle East, SALT/US-USSR Summit preparations and Rhodesia. Following up on your recent actions to increase our educational exchange program with Finland, I am including talking points and background material at Tab C on the importance of educational exchanges to our foreign policy interests and a recommendation, by you to the breakfast participants, that State together with ICA and OMB give careful attention to these programs in preparing FY81 budget recommendations for the President.

Middle East

Warren Christopher will be prepared to brief on the developments thus far in Secretary Vance's mission. The current text of Secretary Vance's remarks at the opening of negotiations on the West Bank/Gaza is at Tab A.

SALT

The US pre-advance team for the summit is in Vienna and we are consulting there, and in Washington, with the Soviets on the agenda.

At 2:00 p.m. Friday afternoon there will be a meeting of the PRC principals only on MX missile basing - this meeting being preparatory to a June 6 NSC meeting with the President on the subject. I have separately sent you the PRC book and recommend that you attend.

~~SECRET~~

Classified by A. Denis Clift
Review 5/24/99

DECLASSIFIED

ALIC-2006-076
per 7/11/06 NISC/17
BY 15 NARA, DATE 7/21/06

~~SECRET~~

You may wish to note that following your Boston College speech on Monday, you will give your second commencement address focused on SALT at the University of Wisconsin this Sunday.

Rhodesia/Southern Africa

Christopher will be prepared to discuss the results of Vance's meetings with the British. (This against your view that Rhodesian Option No. 2 offers the best avenue for the US.) You may wish to note briefly your meeting with Bishop Dumeni, the fact that he pleaded with us to continue US support for the UN plan on Namibia, and the fact that you, in turn, stressed the importance of the Patriotic Front's working constructively on the Rhodesian problem.)

Cyprus

The report of Matt Nimetz's meeting with Secretary General Waldheim is at Tab B. I think it very important that Christopher and State be instructed to continue to devote priority attention to Cyprus before June 15. (All too often, we are inclined to let things slip just when we have the opportunity to capitalize on something as productive as the May 18-19 talks.)

Educational Exchanges

If time permits, comment briefly on your recent experience with the US-Finnish Exchange Program - the importance the Finns attach to such exchanges as a very valuable window to the West.

- Note the number of foreign leaders who have participated in US exchange programs (see list at Tab C).
- Note the lasting value that such exchanges have in terms of foreigners' perceptions of the US.
- Note that in the FY 80 budget cycle the President postponed a decision on ICA's expansion of its exchange program, directing OMB and NSC to work with ICA to develop more detailed analysis and proposals.
- Note your understanding that ICA plans to have its more detailed analysis for expansion ready by this August.
- Suggest to Zbig and Warren Christopher that they give this priority attention with ICA prior to the FY 81 budget review.

~~SECRET~~

THE WHITE HOUSE
WASHINGTON~~CONFIDENTIAL~~

May 22, 1979

ACTION

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI *ZB*

SUBJECT: Secretary Vance's Remarks at Opening
of West Bank/Gaza Negotiations,
May 25, 1979 (C)

At Tab A for your approval is a draft of Secretary Vance's remarks at the opening of the West Bank/Gaza negotiations. The basic points to note are:

- The affirmation of a strong US role.
- The reintroduction of the "withdrawal for peace" equation from UN Resolution 242.
- The centrality of a just solution to the Palestinian question in accordance with Camp David.
- The right of Israel to genuine peace and security. (C)

Note that on page 4 the draft includes reference to a "Palestinian homeland." We have not used this term for a long time and its inclusion will be controversial. On balance, I favor keeping it in. (C)

RECOMMENDATION:

That you approve the draft remarks at Tab A.

Approve _____

As Revised _____ *✓**no -
it would
dominate the
news -**J*~~CONFIDENTIAL~~

Review on May 22, 1985

DECLASSIFIED
NLIC-2006-076
per 7/11/06 NSC/tr
BY *CS* NARA, DATE 7/21/06

~~CONFIDENTIAL~~

Secretary's Remarks
Opening of West Bank/Gaza
Negotiations
Beersheva
May 25, 1979

Mr. Chairman:

This historic occasion today is one of both achievement and renewed commitment: Achievement because the parties represented at this table, by concluding a treaty of peace, have given the world a stunning demonstration that negotiations can change a state of war into peace. Renewed commitment because we all face an even more formidable task in the months ahead. Yet we begin with both the optimism and the determination that only comes to those who have tackled a difficult task and mastered it.

Today witnesses the first fruits of the Egypt-Israel peace treaty, as Al Arish is restored to Egyptian control, and the first steps begin toward normalized relations between the two countries.

The treaty of peace between Egypt and Israel fulfills one of the two framework agreements agreed at Camp David between President Sadat and Prime Minister Begin, and witnessed by President Carter. At Camp David, and in the agreements that have followed, the governments of Israel and Egypt also committed themselves to principles and procedures for a series of negotiations leading to peace between Israel and each of its Arab neighbors.

This final peace will be in fulfillment of United Nations Security Council Resolution 242, upon which the Camp David Framework is built. Resolution 242 establishes the basic equation for peace -- Israeli withdrawal from occupied territories in return for recognition by her neighbors of Israel's right to live at peace within secure and recognized boundaries. It is axiomatic that Resolution 242 applies to all fronts of the conflict; and that what we begin today is only one step on a long journey to give reality to the principles in that Resolution.

Achieving a comprehensive peace depends on success in each bilateral negotiations; and each new negotiation must build on the achievements of those which have preceded it. We all want a full peace, stability, justice and progress for all the peoples of the Middle East. But that can only be attained by carrying forward a dual effort: implementing both the letter and the spirit of the Egypt-Israel Treaty, while making it the cornerstone for the greater and even more difficult task of building toward a comprehensive settlement.

We have come here to launch this effort -- as agreed by President Sadat and Prime Minister Begin in their joint letter of March 26 to President Carter. With the Egypt-Israel Treaty, we are able, for the first time in more than

three decades, to turn our attention to the practical solution of a central issue of the Arab-Israeli conflict -- peace between Israel and the Palestinian people with security and acceptance for both. In their joint letter, President Sadat and Prime Minister Begin pledged to start these negotiations to carry forward the process agreed upon at Camp David. An important objective of that process, in the words of the Framework, is "the resolution of the Palestinian problem in all its aspects."

Today, we are beginning this stage of the peace process by dealing with the establishment of the self-governing authority in the West Bank and Gaza. In their joint letter, Prime Minister Begin and President Sadat agreed to negotiate continuously and in good faith, and they set the goal of completing the negotiations within the next twelve months, so that elections can be held as expeditiously as possible thereafter.

The range of issues involved in the Palestinian problem is far too complex to be resolved all at once. The only realistic approach, therefore, is to establish a transitional period during which the decisions that need to be made can be dealt with in a measured and logical way. That approach was agreed by Egypt and Israel at Camp David and they have invited other parties to the Arab-Israeli conflict to support it and to join the negotiations.



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