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October 6, 1975

ECONOMIC SUMMITBACKGROUND:

The New York Times reports Sunday that agreement in principle has been reached for an economic meeting in France of the heads of government of probably seven countries before the end of the year. While exploratory discussions are in progress in New York, it is important at this stage that we take a low-key approach to the talks and to the prospects for a summit itself.

Q. What are the President's views on an economic summit?  
Would he attend?

A. Since the President took office he has expressed the importance of consultations at the highest levels on international economic issues of mutual interest to the U. S. , Western Europe, and Japan. The talks in New York are general and exploratory in nature. In principle, the President favors the idea of a summit and will therefore continue to watch the progress of these exploratory talks closely and with considerable interest.

Q. Who are the American participants at the New York meeting?  
What countries are participating?

A. I believe State is prepared to respond to those questions and I suggest you check with them.

FYI ONLY:

There is considerable sensitivity as to participants and countries. George Shultz and Helmut Sonnenfeldt are representing the U. S. Other nations participating at this time are Italy, France, West Germany, Great Britain, and Japan. Canada may join the talks.

The delegates will have no announcements to make nor will they discuss the substance of their talks until all respective chiefs of state have heard reports on the meetings.

PREP-CON IN PARIS

FOR YOUR BACKGROUND ONLY:

The mood is upbeat at the opening session of Prep-Con II.

After receiving offers of cooperation from the Saudis, Iranians, and Indians in the initial round of bilateral consultations and then congratulations from many delegations at the opening session from having gotten negotiations back on the track, the U. S. to Prep-Con feels:

-- There is a general determination among the delegates to make the conference a success.

-- Most delegates believe the positive mood of the seventh special session has carried over to Paris.

However, the generally good impression left by the bilaterals and the first day should not obscure the actual difficulties posed by specific subjects.

The Washington Post reports today that the delegates agreed yesterday to hold a ministerial conference in Paris beginning December 16, according to informed sources. It is said the meeting will be called the conference on International Economic Cooperation. Twenty-seven nations are expected to participate.

\* \* \* \*

Q. Is the President hopeful that the current round of talks at the preparatory producer-consumer conference will lead to a ministerial meeting?

A. Very much so. The President hopes that this current session of talks will lay the groundwork for a ministerial meeting. He feels that such a meeting would be in keeping with his view that cooperation between consuming and producing nations

is essential to promote the mutual interest of a prosperous international economic order.

Q. What is the U. S. attitude on price indexing? (And on all specific questions).

A. While these negotiations and discussions are in progress, I wouldn't want to comment on what positions or attitudes the U. S. might adopt.

FYI: The U. S. will play a general role and not get too deeply into very controversial issues during this particular round of talks.

ECONOMIC SUMMITInitial Foreign Press Reaction to Economic Summit:

Anticipating a final declaration from Rambouillet affirming international cooperation to combat recession, foreign media Monday generally considered the economic conference a qualified success. The Times of London said, "The six countries. . . . seem to have attained enough common ground to try to submit guidelines which they hope will help to restore confidence in the West." Editors in several countries greeted "the spirit of Rambouillet." The Frankfurter Allgemeine remarked, "Spirit is good, but action is better. It remains to be seen to what extent you will succeed in getting Congress to support your energy policy, and Prime Minister Wilson to prevent Britain's labor unions from turning protectionist." From Paris, Europe One Radio summed up: "Good intentions but limited results." A commentator said, "Given the experience of the past, one cannot but wonder what such declarations of principle are worth. . . . There is a world of difference between the optimistic statements of the participants and the pious wishes on which the conference reportedly agreed. . . ." A byliner said in Monday's moderate-right L'Aurore: ". . . . it seems that one can already speak of a spirit of Rambouillet as different from the sterile confrontations that ruined the efforts at so many other meetings of the past three or four years. A major point seems to have been established. The Americans without submitting to the disciplines of a contract similar to the one that binds the countries of the European snake, have agreed to put an end to the erratic moves of the dollar. . . ."

Milan's Corriere Della Sera reported, "having transformed a French initiative into an American enterprise, you and Secretary Kissinger have given the meeting a different tone and pace. It was possible to discard Giscard's monetary surgery. It has become an American cavalcade. In this way some obstacles have been overcome and insurmountable ones circumvented."

Nearly all Soviet central newspapers available on Monday carried TASS items on the economic summit. Pravda, in its first mention of the meeting, runs a Paris-dated TASS report, called "In a Situation of Secrecy." The article says that "not only journalists, but even experts and advisors of the delegations are not admitted to the meetings." Citing "local political circles," the item says that the meeting may be even more concerned with the political than with economic aspects of the current situation in the capitalist powers in relations with the developing countries." On the

substance of the issues, TASS cites, "local observers" on "serious contradictions" between the U. S. and France over floating exchange rates and concludes that "there is also no unity between the participants in the conference on the problems of international trade. There also exists significant contradictions on one of the central questions -- relations between industrialized capitalist states and the developing oil-producing countries. The U. S. is proposing nothing other than a "cartel" of capitalist states for pressure on the oil-producing countries."

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Q. The President has just returned from the Economic Summit and each of the leaders there seemed to indicate that they thought it a success. Why was it a success, and what will it mean for Americans?

A. You are probably aware that Secretaries Simon and Kissinger held a news conference aboard Air Force One last night. To sum up their remarks briefly, this summit meeting of six heads of government whose countries produce seventy per cent of the world's trade came together to discuss the political and economic cohesion of their industrial democracies at a time when their economies were in various states of recession.

Their meetings represent a conviction that our economic problems are long-term, that there are no quick fixes, and that they require a steady cooperative effort. They agreed, as Secretary Kissinger said, that their political relationship affected their economic relationship, which in turn, assisted their political cooperation. These countries vindicated the concept of their interdependence and laid out a program and a method for cooperation

which hopefully will accelerate the recovery of all the peoples and facilitate cooperation with the less developed nations to everyone's overall benefit. *Confidence.*

As for Americans specifically, this conference is intended to contribute to an acceleration of worldwide economic recovery, a lowering of trade barriers, and greater financial stability. If these aims, as spelled out in the Declaration of Rambouillet, can be carried out, then it will mean more jobs, better control over inflation, perhaps lower prices and greater cooperation among our principal trading partners to the overall benefit of every American. We do not expect any overnight changes, but rather "a stable, steady growth on a long-term basis." As Secretary Simon said, our policies must be mutually supportive where indeed they are compatible, and meetings like this bring about better understanding of the policies of the industrialized nations. These are significant steps to agreeing about the permanent durable prosperity we all wish to provide.

Q. What are the next steps? What happens now?

A. As the Secretaries said last night, we expect a much expanded discussion and consultation among the finance ministers and their deputies as a result of the summit. We will further



be meeting and consulting on energy issues during upcoming meetings of the IEA, the OECD and on a range of issues at the Conference on International Economic Cooperation next month. And in Jamaica in January, the Interim Committee (of the IMF) on Overall Monetary Reform will be taking up the monetary agreement initialed by the U. S. and France and embodied in the Memorandum of Understanding.

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November 18, 1975

ISRAELI REACTION TO THE SAUNDERS STATEMENT

FYI:

In a statement to the Hamilton Subcommittee, Deputy Assistant Secretary Hal Saunders reaffirmed that the legitimate interests of the Palestinians must be taken into account in an overall Middle East settlement. His remarks (attached) are thoroughly consistent with our public position and break no new ground. The Israelis have perceived the fact of the statement itself as indication of "bias" (Washington Post, A-14) and have suggested that the U. S. is taking a new position.

IF ASKED: about the Saunders testimony and our position, you may say that the State Department has already affirmed that the Saunders testimony is consistent with the U. S. position on the Palestinians -- a position which has not changed. Additional questions should be referred to State.



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TAGS: PFOR, PLO, US, XF

SUBJECT: U.S. STATEMENT ON PALESTINIAN PROBLEM

KUWAIT PASS BAGHDAD; CAIRO PASS ALEXANDRIA

1. REPRESENTATIVE HAMILTON'S INVESTIGATIONS SUBCOMMITTEE OF THE HIRC REQUESTED, AS CONCLUSION OF HEARINGS IT HAS BEEN CONDUCTING ON PALESTINIAN PROBLEM, THAT AN ADMINISTRATION WITNESS ADDRESS THE SUBCOMMITTEE ON THE SUBJECT. ACCORDINGLY, DEPUTY ASST. SECRETARY SAUNDER APPEARED BEFORE SUBCOMMITTEE NOV 12 AND SUBMITTED PREPARED STATEMENT, FULL TEXT OF WHICH IS SET FORTH BELOW FOR YOUR INFORMATION. STATEMENT IS INTENDED TO BE LOW-KEY SUMMATION OF USG VIEWS ON MOST ASPECTS OF PALESTINIAN ISSUE AND NOT RPT NOT TO BREAK NEW POLICY GROUND.

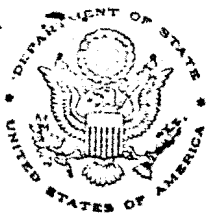
BEGIN UNCLASSIFIED:

2. BEGIN TEXT:

DEAR MR. CHAIRMAN:

A JUST AND DURABLE PEACE IN THE MIDDLE EAST IS A CENTRAL

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OBJECTIVE OF THE UNITED STATES. BOTH PRESIDENT FORD AND SECRETARY KISSINGER HAVE STATED FIRMLY ON NUMEROUS OCCASIONS THAT THE UNITED STATES IS DETERMINED TO MAKE EVERY FEASIBLE EFFORT TO MAINTAIN THE MOMENTUM OF PRACTICAL PROGRESS TOWARDS A PEACEFUL SETTLEMENT OF THE ARAB-ISRAELI CONFLICT.

WE HAVE ALSO REPEATEDLY STATED THAT THE LEGITIMATE INTERESTS OF THE PALESTINIAN ARABS MUST BE TAKEN INTO ACCOUNT IN THE NEGOTIATION OF AN ARAB-ISRAELI PEACE. IN MANY WAYS, THE PALESTINIAN DIMENSION OF THE ARAB-ISRAELI CONFLICT IS THE HEART OF THAT CONFLICT. FINAL RESOLUTION

OF THE PROBLEMS ARISING FROM THE PARTITION OF PALESTINE, THE ESTABLISHMENT OF THE STATE OF ISRAEL, AND ARAB OPPOSITION TO THOSE EVENTS WILL NOT BE POSSIBLE UNTIL AGREEMENT IS REACHED DEFINING A JUST AND PERMANENT STATES FOR THE ARAB PEOPLES WHO CONSIDER THEMSELVES PALESTINIANS. ) #

THE TOTAL NUMBER OF PALESTINIAN ARABS IS ESTIMATED AT A LITTLE MORE THAN THREE MILLION. OF THESE, ABOUT 450,000 LIVE IN THE AREA OF ISRAEL'S PRE-1967 BORDERS; ABOUT ONE MILLION ARE IN THE ISRAELI-OCCUPIED WEST BANK, EAST JERUSALEM AND GAZA; SOMETHING LESS THAN A MILLION, ABOUT 900,000, ARE IN JORDAN; HALF A MILLION ARE IN SYRIA AND LEBANON; AND SOMEWHAT MORE THAN 200,000 OR SO ARE ELSEWHERE, PRIMARILY IN THE GULF STATES. THOSE IN ISRAEL ARE ISRAELI NATIONALS. THE GREAT MAJORITY OF THOSE IN THE WEST BANK, EAST JERUSALEM AND JORDAN ARE JORDANIAN NATIONALS. PALESTINIAN REFUGEES, WHO LIVE OUTSIDE OF PRE-1967 ISRAEL AND NUMBER 1.6 MILLION, ARE ELIGIBLE FOR FOOD AND/OR SERVICES FROM THE UNITED NATIONS RELIEF AND WORKS AGENCY (UNRWA); MORE THAN 650,000 OF THESE LIVE IN CAMPS.

THE PROBLEM OF THE PALESTINIANS WAS INITIALLY DEALT WITH ESSENTIALLY AS ONE INVOLVING DISPLACED PERSONS. THE UNITED STATES AND OTHER NATIONS RESPONDED TO THE IMMEDIATE HUMANITARIAN TASK OF CARING FOR A LARGE NUMBER OF REFUGEES AND TRYING TO PROVIDE THEM WITH SOME HOPE IN LIFE. IN

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LATER YEARS THERE HAS BEEN CONSIDERABLE ATTENTION GIVEN TO THE PROGRAMS OF UNRWA THAT HELP NOT ONLY TO SUSTAIN THOSE PEOPLE'S LIVES BUT TO LIFT THE YOUNG PEOPLE OUT OF THE REFUGEE CAMPS AND TO TRAIN THEM AND GIVE THEM AN OPPORTUNITY TO LEAD PRODUCTIVE LIVES. MANY HAVE TAKEN ADVANTAGE OF THIS OPPORTUNITY, AND AN UNUSUALLY LARGE NUMBER OF THEM HAVE COMPLETED SECONDARY AND UNIVERSITY EDUCATION. ONE FINDS PALESTINIANS OCCUPYING LEADING POSITIONS THROUGHOUT THE ARAB WORLD AS PROFESSIONALS AND SKILLED WORKERS IN ALL FIELDS. THE U.S. HAS PROVIDED SOME \$622 MILLION IN ASSISTANCE--ABOUT SIXTY-TWO PERCENT OF THE TOTAL INTERNATIONAL SUPPORT (\$1 BILLION) FOR THE PALESTINIAN REFUGEES OVER THE PAST QUARTER OF A CENTURY.

TODAY, HOWEVER, WE RECOGNIZE THAT, IN ADDITION TO MEETING THE HUMAN NEEDS AND RESPONDING TO LEGITIMATE PERSONAL CLAIMS OF THE REFUGEES, THERE IS ANOTHER INTEREST THAT MUST BE TAKEN INTO ACCOUNT. IT IS A FACT THAT MANY OF THE THREE MILLION OR SO PEOPLE WHO CALL THEMSELVES PALESTINIANS TODAY INCREASINGLY REGARD THEMSELVES AS HAVING THEIR OWN IDENTITY AS A PEOPLE AND DESIRE A VOICE IN DETERMINING THEIR POLITICAL STATUS. AS WITH ANY PEOPLE IN THIS SITUATION, THERE ARE DIFFERENCES AMONG THEMSELVES, BUT THE PALESTINIANS COLLECTIVELY ARE A POLITICAL FACTOR WHICH MUST BE DEALT WITH IF THERE IS TO BE A PEACE BETWEEN ISRAEL AND ITS NEIGHBORS.

THE STATEMENT IS OFTEN MADE IN THE ARAB WORLD THAT THERE WILL NOT BE PEACE UNTIL THE "RIGHTS OF THE PALESTINIANS" ARE FULFILLED, BUT THERE IS NO AGREED DEFINITION OF WHAT IS MEANT AND A VARIETY OF VIEWPOINTS HAVE BEEN EXPRESSED ON WHAT THE LEGITIMATE OBJECTIVES OF THE PALESTINIANS ARE:

--SOME PALESTINIAN ELEMENTS HOLD TO THE OBJECTIVE OF A BINATIONAL SECULAR STATE IN THE AREA OF THE FORMER MANDATE OF PALESTINE. REALIZATION OF THIS OBJECTIVE WOULD MEAN THE END OF THE PRESENT STATE OF ISRAEL, A MEMBER OF THE UNITED NATIONS, AND ITS SUBMERGENCE IN SOME LARGER ENTITY. SOME WOULD BE WILLING TO ACCEPT MERELY AS A FIRST STEP TOWARD THIS GOAL THE ESTABLISHMENT OF A PALESTINIAN STATE COMPRISING THE WEST BANK OF THE JORDAN RIVER AND GAZA.

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--OTHER ELEMENTS OF PALESTINIAN OPINION APPEAR WILLING TO ACCEPT AN INDEPENDENT PALESTINIAN STATE COMPRISING THE WEST BANK AND GAZA, BASED ON ACCEPTANCE OF ISRAEL'S RIGHT TO EXIST AS AN INDEPENDENT STATE WITHIN ROUGHLY ITS PRE-1967 BORDERS.

-- SOME PALESTINIANS AND OTHER ARABS ENVISAGE AS A POSSIBLE SOLUTION A UNIFICATION OF THE WEST BANK AND GAZA WITH JORDAN. A VARIATION OF THIS WHICH HAS BEEN SUGGESTED WOULD BE THE RECONSTITUTION OF THE COUNTRY AS A FEDERATED STATE, WITH THE WEST BANK BECOMING AN AUTONOMOUS PALESTINIAN PROVINCE.

--STILL OTHERS, INCLUDING MANY ISRAELIS, FEEL THAT WITH THE WEST BANK RETURNED TO JORDAN, AND WITH THE RESULTING EXISTENCE OF TWO COMMUNITIES--PALESTINIAN AND JORDANIAN-- WITHIN JORDAN, OPPORTUNITIES WOULD BE CREATED THEREBY FOR THE PALESTINIANS TO FIND SELF-EXPRESSION.

--IN THE CASE OF A SOLUTION WHICH WOULD REJOIN THE WEST BANK TO JORDAN OR A SOLUTION INVOLVING A WEST BANK/GAZA STATE, THERE WOULD STILL ARISE THE PROPERTY CLAIMS OF THOSE PALESTINIANS WHO BEFORE 1948 RESIDED IN AREAS THAT BECAME THE STATE OF ISRAEL. THESE CLAIMS HAVE BEEN ACKNOWLEDGED AS A SERIOUS PROBLEM BY THE INTERNATIONAL COMMUNITY EVER SINCE THE ADOPTION BY THE UNITED NATIONS OF RESOLUTION 194 ON THIS SUBJECT IN 1948, A RESOLUTION WHICH THE UNITED NATIONS HAS REPEATEDLY REAFFIRMED, AND WHICH THE UNITED STATES HAS SUPPORTED. A SOLUTION WILL BE FURTHER COMPLICATED BY THE PROPERTY CLAIMS AGAINST ARAB STATES OF THE MANY JEWS FROM THOSE STATES WHO MOVED TO ISRAEL IN ITS EARLY YEARS AFTER ACHIEVING STATEHOOD.

--IN ADDITION TO PROPERTY CLAIMS, SOME BELIEVE THEY SHOULD HAVE THE OPTION OF RETURNING TO THEIR ORIGINAL HOMES UNDER ANY SETTLEMENT.

--OTHER ARAB LEADERS, WHILE PRESSING THE IMPORTANCE OF PALESTINIAN INVOLVEMENT IN A SETTLEMENT, HAVE TAKEN THE POSITION THAT THE DEFINITION OF PALESTINIAN INTERESTS IS

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SOMETHING FOR THE PALESTINIAN PEOPLE THEMSELVES TO SORT OUT, AND THE VIEW HAS BEEN EXPRESSED BY RESPONSIBLE ARAB LEADERS THAT REALIZATION OF PALESTINIAN RIGHTS NEED NOT BE INCONSISTENT WITH THE EXISTENCE OF ISRAEL.

NO ONE, THEREFORE, SEEMS IN A POSITION TODAY TO SAY EXACTLY WHAT PALESTINIAN OBJECTIVES ARE. EVEN THE PALESTINE LIBERATION ORGANIZATION (PLO), WHICH IS RECOGNIZED BY THE ARAB LEAGUE AND THE UNITED NATIONS GENERAL ASSEMBLY AS THE REPRESENTATIVE OF THE PALESTINIAN PEOPLE, HAS BEEN AMBIVALENT. OFFICIALLY AND PUBLICLY, ITS OBJECTIVE IS DESCRIBED AS A BINATIONAL SECULAR STATE, BUT THERE ARE SOME INDICATIONS THAT COEXISTENCE BETWEEN SEPARATE PALESTINIAN AND ISRAELI STATES MIGHT BE CONSIDERED.

WHEN THERE IS GREATER PRECISION ABOUT THOSE OBJECTIVES, THERE CAN BE CLEARER UNDERSTANDING ABOUT HOW TO RELATE THEM TO NEGOTIATIONS. THERE IS THE ASPECT OF THE FUTURE OF THE WEST BANK AND GAZA--HOW THOSE AREAS ARE TO BE DEFINED AND HOW THEY ARE TO BE GOVERNED. THERE IS THE ASPECT OF THE RELATIONSHIP BETWEEN PALESTINIANS IN THE WEST BANK AND GAZA TO THOSE PALESTINIANS WHO ARE NOT LIVING IN THOSE AREAS, IN THE CONTEXT OF A SETTLEMENT.

WHAT IS NEEDED AS A FIRST STEP IS A DIPLOMATIC PROCESS WHICH WILL HELP BRING FORTH A REASONABLE DEFINITION OF PALESTINIAN INTERESTS--A POSITION FROM WHICH NEGOTIATIONS ON A SOLUTION OF THE PALESTINIAN ASPECTS OF THE PROBLEM MIGHT BEGIN. THE ISSUE IS NOT WHETHER PALESTINIAN INTERESTS SHOULD BE EXPRESSED IN A FINAL SETTLEMENT, BUT HOW. THERE WILL BE NO PEACE UNLESS AN ANSWER IS FOUND.

ANOTHER REQUIREMENT IS THE DEVELOPMENT OF A FRAMEWORK FOR NEGOTIATIONS--A STATEMENT OF THE OBJECTIVES AND THE TERMS OF REFERENCE. THE FRAMEWORK FOR THE NEGOTIATIONS THAT HAVE TAKEN PLACE THUS FAR AND THE AGREEMENTS THEY HAVE PRODUCED INVOLVING ISRAEL, SYRIA, AND EGYPT, HAS BEEN PROVIDED BY UNITED NATIONS SECURITY COUNCIL

RESOLUTIONS 242 AND 338. IN ACCEPTING THAT FRAMEWORK, ALL

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OF THE PARTIES TO THE NEGOTIATION HAVE ACCEPTED THAT THE OBJECTIVE OF THE NEGOTIATIONS IS PEACE BETWEEN THEM BASED ON MUTUAL RECOGNITION, TERRITORIAL INTEGRITY, POLITICAL INDEPENDENCE, THE RIGHT TO LIVE IN PEACE WITHIN SECURE AND RECOGNIZED BORDERS, AND THE RESOLUTION OF THE SPECIFIC ISSUES WHICH COMPRISE THE ARAB-ISRAELI CONFLICT.

THE MAJOR PROBLEM THAT MUST BE RESOLVED IN ESTABLISHING A FRAMEWORK FOR BRINGING ISSUES OF CONCERN TO THE PALESTINIANS INTO NEGOTIATION, THEREFORE, IS TO FIND A COMMON BASIS FOR THE NEGOTIATION THAT PALESTINIANS AND ISRAELIS CAN BOTH ACCEPT. THIS COULD BE ACHIEVED BY COMMON ACCEPTANCE OF THE ABOVE-MENTIONED SECURITY COUNCIL RESOLUTIONS, ALTHOUGH THEY DO NOT DEAL WITH THE POLITICAL ASPECT OF THE PALESTINIAN PROBLEM.

A PARTICULARLY DIFFICULT ASPECT OF THE PROBLEM IS THE QUESTION OF WHO NEGOTIATES FOR THE PALESTINIANS. IT HAS BEEN OUR BELIEF THAT JORDAN WOULD BE A LOGICAL NEGOTIATOR FOR THE PALESTINIAN-RELATED ISSUES. THE RABAT SUMMIT, HOWEVER, RECOGNIZED THE PALESTINIAN LIBERATION ORGANIZATION AS THE "SOLE LEGITIMATE REPRESENTATIVE OF THE PALESTINIAN PEOPLE".

THE PLO WAS FORMED IN 1964 WHEN 400 DELEGATES FROM PALESTINIAN COMMUNITIES THROUGHOUT THE ARAB WORLD MET IN JERUSALEM TO CREATE AN ORGANIZATION TO REPRESENT AND SPEAK FOR THE PALESTINIAN PEOPLE. ITS LEADERSHIP WAS ORIGINALLY MIDDLE CLASS AND RELATIVELY CONSERVATIVE, BUT IN 1969 CONTROL HAD PASSED INTO THE HANDS OF THE PALESTINIAN FEDAYEEN, OR COMMANDO, MOVEMENT, THAT HAD EXISTED SINCE THE MID-1950'S BUT HAD COME INTO PROMINENCE ONLY AFTER THE 1967 WAR. THE ORGANIZATION BECAME AN UMBRELLA ORGANIZATION FOR SIX SEPARATE FEDAYEEN GROUPS: FATAH; THE SYRIAN-BACKED SA'IDA; THE POPULAR DEMOCRATIC FRONT FOR THE LIBERATION OF PALESTINE; POPULAR FRONT FOR THE LIBERATION OF PALESTINE; THE GENERAL COMMAND -- A SUBGROUP OF THE PFLP; AND THE IRAQI-BACKED ARAB LIBERATION FRONT. AFFILIATED WITH THE PLO ARE A NUMBER OF "POPULAR ORGANIZATIONS" -- LABOR AND PROFESSIONAL UNIONS, STUDENT GROUPS, WOMEN'S GROUPS AND SO ON. FATAH, THE LARGEST FEDAYEEN GROUP, ALSO

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HAS A WELFARE APPARATUS TO CARE FOR WIDOWS AND ORPHANS OF DECEASED FATAH MEMBERS.

HOWEVER, THE PLO DOES NOT ACCEPT THE UNITED NATIONS SECURITY COUNCIL RESOLUTIONS, DOES NOT RECOGNIZE THE EXISTENCE OF ISRAEL, AND HAS NOT STATED ITS READINESS TO NEGOTIATE PEACE WITH ISRAEL; ISRAEL DOES NOT RECOGNIZE THE PLO OR

THE IDEA OF A SEPARATE PALESTINIAN ENTITY. THUS WE DO NOT AT THIS POINT HAVE THE FRAMEWORK FOR A NEGOTIATION INVOLVING THE PLO. WE CANNOT ENVISION OR URGE A NEGOTIATION BETWEEN TWO PARTIES AS LONG AS ONE PROFFESSES TO HOLD THE OBJECTIVE OF ELIMINATING THE OTHER -- RATHER THAN THE OBJECTIVE OF NEGOTIATING PEACE WITH IT.

THERE IS ONE OTHER ASPECT TO THIS PROBLEM. ELEMENTS OF THE PLO HAVE USED TERRORISM TO GAIN ATTENTION FOR THEIR CAUSE. SOME AMERICANS AS WELL AS MANY ISRAELIS AND OTHERS HAVE BEEN KILLED BY PALESTINIAN TERRORISTS. THE INTERNATIONAL COMMUNITY CANNOT CONDONE SUCH PRACTICES, AND IT SEEMS TO US THAT THERE MUST BE SOME ASSURANCE IF PALESTINIANS ARE DRAWN INTO THE NEGOTIATING PROCVSS THAT THESE PRACTICES WILL BE CURBED.

THIS IS THE PROBLEM WHICH WE NOW FACE. IF THE PROGRESS TOWARD PEACE WHICH HAS NOW BEGUN IS TO CONTINUE, A SOLUTION TO THIS QUESTION MUST BE FOUND. WE HAVE NOT DEVISED AN AMERICAN SOLUTION, NOR WOULD IT BE APPROPRIATE FOR US TO DO SO. THIS IS THE RESPONSIBILITY OF THE PARTIES AND THE PURPOSE OF THE NEGOTIATING PROCESS. BUT WE HAVE NOT CLOSED OUR MINDS TO ANY REASONABLE SOLUTION WHICH CAN CONTRIBUTE TO PROGRESS TOWARD OUR OVERRIDING OBJECTIVE IN THE MIDDLE EAST -- AN ARAB-ISRAELI PEACE. THE STEP-BY-STEP APPROACH TO NEGOTIATIONS WHICH WE HAVE PURSUED HAS BEEN BASED PARTLY ON THE UNDERSTANDING THAT ISSUES IN THE ARAB-ISRAELI CONFLICT TAKE TIME TO MATURE. IT IS OBVIOUS THAT THINKING ON THE PALESTINIAN ASPECTS OF THE PROBLEM MUST EVOLVE ON ALL SIDES. AS IT DOES, WHAT IS NOT POSSIBLE TODAY MAY BECOME POSSIBLE.

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OUR CONSULTATIONS ON HOW TO MOVE THE PEACE NEGOTIATIONS FORWARD WILL RECOGNIZE THE NEED TO DEAL WITH THIS SUBJECT. AS SECRETARY KISSINGER HAS SAID, "WE ARE PREPARED TO WORK WITH ALL THE PARTIES TOWARD A SOLUTION OF ALL THE ISSUES YET REMAINING -- INCLUDING THE ISSUE OF THE FUTURE OF THE PALESTINIANS." WE WILL DO SO BECAUSE THE ISSUES OF CONCERN TO THE PALESTINIANS ARE IMPORTANT IN THEMSELVES AND BECAUSE THE ARAB GOVERNMENTS PARTICIPATING IN THE NEGOTIATIONS HAVE MADE CLEAR THAT PROGRESS IN THE OVERALL NEGOTIATIONS WILL DEPEND IN PART ON PROGRESS ON ISSUES OF CONCERN TO THE PALESTINIANS. WE ARE PREPARED TO CONSIDER ANY REASONABLE PROPOSAL FROM ANY QUARTER, AND WE WILL EXPECT OTHER PARTIES TO THE NEGOTIATION TO BE EQUALLY OPENMINDED. END TEXT. END UNCLASSIFIED. KISSINGER

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31 May 1976

MEMO TO JON CARLSON

FROM: KATHLEEN TROIA

SUBJECT: ECONOMIC SUMMIT MEETING

If asked about a possible economic summit meeting in the Caribbean this summer, say:

"We are planning a continuation of the Rambouillet Summit, but are still having exploratory conversations with the governments involved in Rambouillet plus Canada. <sup>After</sup> ~~As~~ ~~soon as~~ the ~~the~~ details have been worked out there will be a formal announcement."

DO NOT USE THIS STATEMENT UNTIL AFTER <sup>2:30</sup> ~~2:00~~ today,  
Monday, 31 May. DO NOT SAY ANYTHING UNTIL AFTER <sup>2:30</sup> ~~2:00~~ p.m.

which  
FYI: The ~~countries~~ countries which participated at Rambouillet are  
US, UK, Germany, France, Italy and Japan.