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SUMMARY OF PRC MEETING ON THE MIDDLE EAST
July 5, 1977 - 3:30 p.m. - 5:15 p.m.

PARTICIPANTS:State

Secretary Cyrus Vance (Chairman)
 Under Secretary Philip Habib
 Assistant Secretary Alfred L. Atherton, Jr.

Defense

Secretary Harold Brown
 Assistant Secretary David E. McGiffert

JCS

Lt. Gen. William Y. Smith

CIA

Admiral Stansfield Turner
 Robert Bowie

NSC

Zbigniew Brzezinski
 David Aaron
 William Quandt

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1. Begin Visit. Two key issues for discussion during Prime Minister Begin's visit will be a framework of agreed principles prior to Geneva and the question of Palestinian representation in the negotiations. Most of the PRC meeting concentrated on these two issues.

2. Draft Principles. The PRC considered several draft principles on which agreement would be sought prior to Geneva. The most controversial were those dealing with the location of recognized borders and the nature of the Palestinian entity. It was agreed that further work should be done on these principles. They will be discussed further at the next PRC meeting, along with a strategy for seeking Prime Minister Begin's concurrence. The revised draft principles are attached. ✓

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 Classified by Dr. Zbigniew Brzezinski

XGDS of E. O. 11652, by authority
 of Zbigniew Brzezinski; Exemption
 Category Section 5(B)(3).

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3. Palestinian Participation. Four alternatives were considered: Seek PLO acceptance of Resolution 242, with a reservation on the Palestinian issue; a single Arab delegation at Geneva, including PLO representatives; Palestinians as part of a national Arab delegation; agreement by Israel and the Arab states to begin negotiations at Geneva without the PLO, but to invite the PLO later when the Palestinian issue is dealt with. There was some feeling that a single Arab delegation offered the best prospects and would not necessarily result in a more rigid Arab position than the other alternatives. It was agreed that this required further analysis.

4. Geneva. The possibility of an Israeli rejection of our draft principles was considered. Begin may take the line that he wants to go to Geneva without preconditions and that we are trying to predetermine the outcome of negotiations. If he does reject the principles, in whole or in part, we need to assess the prospects for Geneva and for the Secretary's trip to the Middle East. This will be considered at the next PRC meeting.

5. Arms for Israel. There was general agreement that an arms package valued at over \$1 billion, consisting of 50 F-16s and several other items, should be considered after the Begin visit. A larger package including 125 F-16s was thought to be excessive. The special case of FMS financing for the Chariot tank was also raised and will be analyzed by State prior to the next PRC meeting. Defense has already recommended against FMS financing for this project.

6. Follow-on Actions.

- The PRC will meet again on July 12, 1977.
- State will prepare a paper on FMS financing for the Chariot tank.
- State will redraft the principles and provide a suggested strategy for presenting them to Israel.
- The next PRC will consider the possibility of no agreement on principles and the consequences for Secretary Vance's trip and Geneva.

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