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DOS, Interior reviews

**GENERAL**

1. Possibility of Arab-Jewish truce in Palestine--US Ambassador Douglas has been informed by the Jewish Agency (JA) representative in London that in a recent conversation, Hector McNeil of the UK Foreign Office expressed the view that King Abdullah will occupy only the Arab areas of Palestine and a truce between the Jews and Abdullah is therefore a possibility. The JA representative said that the Jews would welcome Abdullah as a neighbor but the JA would have to "protest loudly" if he invaded Palestine. The representative expressed the opinion that if Abdullah halts his invasion at the Jewish frontier, the Jews ought to begin immediate negotiations with him for a truce.

US Ambassador Tuck reports from Cairo that it is "gradually becoming apparent" that the Arabs would now welcome "almost any face-saving device" which would prevent open war. Tuck expects that, as a result of British pressure, Abdullah's forces will move only as far as the Jewish frontier. Tuck adds that British Minister Clayton is continuing to urge the Arabs to accept partition and to confine their future action to economic and guerrilla warfare.

(CIA Comment: Although CIA agrees that Arab leaders themselves would welcome a "face-saving" device which would avoid the necessity of full-scale warfare against Haganah, Arab-Jewish hostilities will almost certainly increase and continue for some time when the Arab governments--compelled by public opinion--send their armies into Palestine.)

2. Spaak favorable to direct US-Soviet talks--Ex-Prime Minister Spaak of Belgium has expressed to US Ambassador Kirk in Brussels his approval of the recent US approach to the USSR and of Ambassador Smith's "excellent" statement. Spaak feels that Molotov's reply reflects an increased concern by the USSR over the coalescence of anti-Soviet world opinion and may also signify an actual desire for discussions with the US. Spaak suggested that the US should give careful consideration to plans for carrying on such discussions with the Soviet Union. Spaak added that he saw no necessity that these conversations should include the UK and France. Document No. 039

- 1 -

~~TOP SECRET~~  
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declassification & release

NO CHANGE in Class.   
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Class. CHANGED TO: TS S (C)  
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### EUROPE

3. CZECHOSLOVAKIA: Benes plans resignation in June--US Ambassador Steinhardt has been reliably informed that President Benes plans to resign "early in June." According to the chief of the president's chancellery, Benes recently informed Premier Gottwald that he would not approve the new constitution and planned to resign immediately. Gottwald reportedly was able to persuade Benes to delay his resignation until June. Benes doubts that the Communist Government will consent to his departure from Czechoslovakia and is unwilling either to make an issue of it or to depart clandestinely except in case of war.

### FAR EAST

4. CHINA: Plan to reduce power of Chiang Kai-shek--US Embassy Nanking has learned from the principal adviser to Vice-President Li Tsung-jen that Li and his followers plan to present within a few weeks a reform program to Chiang Kai-shek. Source adds that unless this program is accepted in its entirety, Li will provoke a political crisis, following which Chiang will be permitted to retain only limited presidential powers and a new cabinet will be named by Li. Source is optimistic that Li's group will be enabled by its overwhelming popular support to obtain its objectives peacefully.

(CIA Comment: Until the preponderance of the military forces in Nationalist China have shifted their support from Chiang Kai-shek to Li Tsung-jen, it is unlikely that Chiang would acquiesce in such a reform program and government reorganization or that Li would risk a political crisis.)

### THE AMERICAS

5. PUERTO RICO: Possible Communist disturbances--The secretary to the Governor of Puerto Rico has communicated to the US Department of the Interior his conviction that

- 2 -

~~TOP SECRET~~

**TOP SECRET**

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**Nationalist and Communist agitators will cause trouble if the Caribbean Commission holds its 24 May conference in San Juan.**

**(CIA Comment: CIA believes that such disturbances are quite possible. Recent ultra-Nationalist and Communist activities on the part of the students have forced the closing of the University for the remainder of the current term. Furthermore, presence in Puerto Rico of the violent Nationalist leader, Albizu Campos, after ten years incarceration for sedition, encourages anti-US excesses.)**

- 6. CHILE: Concern over Argentine military mission to US-- Foreign Minister Vergara has asked US Ambassador Bowers for US reassurances concerning the visit of an Argentine military mission to Washington and the US attitude toward the mission's purposes. Vergara declared that, if the Argentine mission succeeds in obtaining large amounts of military equipment and arms production facilities, the Chilean Army would demand heavy appropriations to meet the resulting danger, with consequent serious effects on the Chilean economy. Vergara believes that most Latin American countries would be deeply concerned by any such US action in aiding Peron to build up a powerful military machine.**

- 3 -

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