June 30, 1948

SUMMARY OF TELEGRAM

GERMANY

We have informed Ambassador Douglas that we agree to the proposal, made by the French and seconded by Bevin, that three-power political consultations concerning the Warsaw Communique and the German situation be held in London as soon as practicable.

Belgian Prime Minister Spaak has expressed the view that the Warsaw Communique suggests the Soviets may be seeking some basis on which to negotiate with the western powers. He believes that we should act to discover Soviet intentions in this regard and that, in any case, the propaganda of the Warsaw Communique should not go unanswered.

Embassy Moscow states that the Warsaw Communique does not suggest any change in Soviet policy nor any real willingness on the part of the Kremlin to discuss German issues on a quadripartite basis unless some really attractive bait is offered to Moscow. The Embassy also believes that we should not discount Soviet willingness to starve the German population of Berlin as the price for getting the western powers out of the city.

PALESTINE

The consensus of key representatives to the United Nations is that sooner or later Count Bernadotte will be confronted with basically unsolvable and irreconcilable Jewish and Arab positions and that at this point the influence of the US and UK will be essential in order to persuade the parties to come to terms.

Our Embassy in Cairo reports that Arab leaders are very pessimistic concerning the possible acceptance of the proposals advanced by Count Bernadotte by either the Jews or Arabs, and it comments that Bernadotte personally, and his mission, have lost influence with leading Arabs. An Israeli representative in London has stated that the Jews are not willing even to discuss the question of the sovereignty of the state of Israel, while the Saudi Arabian Deputy Foreign Minister has expressed the view that the Arab states will not accept a prolongation of the truce.