

W. L. Brown

1/20/74

THE WHITE HOUSE  
WASHINGTON

HAK -

We're still experimenting with the format of the attached & I'm not yet satisfied.

However, I think we can draw upon these subjects and use the attached as a tool for medium term subjects to insert into the morning staff meetings. W

DEPARTMENT OF STATE  
BRIEFING MEMORANDUM*11/20/75-*

S/S

SECRET/with attachment

November 20, 1974

MEMORANDUM

To: The Secretary

From: S/P - Winston Lord *W*  
INR - Martin Packman *M*

Second Alert Report

Attached is the second in a series of Alert Reports designed to give you an overview of key potential issues or events which are not now at the top of your agenda but which we believe could require your personal involvement over the next six to nine months. In each case, we identify the issue and its implications, describe how it might develop, and indicate, where appropriate, current or prospective action and analysis and how it might involve you personally.

The Reports are part of the effort to help ensure that the Department periodically takes a systematic look ahead to identify opportunities and problems that may arise, major issues that may be overlooked, and possible gaps in established policy guidance and in the Departmental and inter-agency program of studies. The attached Report drew on Bureau submissions.

One method to ensure follow-up on these questions and to transmit any guidance you might wish to give would be to place one or two of the items on the agenda for each 8:00 a.m. staff meeting and to have the relevant Assistant Secretary prepared to speak to the issue. This would add a forward-looking dimension to these staff meetings without detracting from their usefulness as a tool for more tactical and immediate problems.

Having twice gone through the process of preparing these Reports, we now have some ideas on how they can be

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made more useful for you and the Department as a whole. In particular, we are now considering reshaping the Alert Reports into reasonably comprehensive yet concise overviews of the entire agenda facing you and the Department for six months ahead. This would mean expanding the Reports to include the matters currently at the top of your agenda (as well as the current emphasis on potential issues and events), though we would, of course, focus discussion of these on possible new developments or dimensions of the problem and policy where possible. We feel that a comprehensive Report along these lines could be a more valuable planning and action document for you and the Department.

We will be expanding this concept further and begin shaping such a Report in the near future. It would, of course, be helpful to have your views on this entire exercise.

S/P:RBartholomew:jrr  
x 22026 11/20/74

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ALERT REPORT FOR THE SECRETARY

EUROPE

UK Membership in the European Community  
Balance of Payments Offset  
MBFR: European Attitudes  
The Trade Bill and US Policy Toward Eastern Europe

EAST ASIA

Military Presence in Thailand  
Korean Advanced Weapon Developments

NEAR EAST

Nuclear Reactors for Egypt and Israel  
Increased Egyptian Influence in the Bab el Mandeb Region

LATIN AMERICA

Panama Canal Negotiations  
Chile-Peru: Potential Military Conflict  
Generalized Tariff Preferences and Latin American Trade  
Future of the OAS

AFRICA

The Former Portuguese Territories  
Nigerian Energy Resources and Gowon Visit  
The Horn

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to preserve an option for reconnaissance and support operations into the Indian Ocean. We have already experienced problems with the Thai on this, and we have suspended P-3 reconnaissance flights from Utapao into the Indian Ocean at their request. This reflects the apparent disposition of the Thai Foreign Minister to move Thai policy in the direction of a more traditional neutral stance. A corollary may be a considerable Thai reluctance to link themselves openly to US efforts to develop a strong counterweight to the Soviet military presence in the Indian Ocean.

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#### Korean Advanced Weapon Developments

Apparent South Korean interest in developing a nuclear and missile capability by the end of this decade poses this issue:

- The implications for our interests of further Korean efforts to develop a nuclear capability and what we can or should do about it over the coming six to nine months.

President Park privately told Korean newsmen last August that he had ordered Korean scientists to develop "atom bombs" by 1977. Present intelligence estimates are that the ROK could possibly fabricate a nuclear device by about 1980, provided that it is prepared to violate agreements associated with its power or research reactors and derived nuclear material and that it could obtain the necessary chemical separation facility in the interim. We have indications that the Koreans are negotiating with a French firm for the purchase of such a facility, although its proposed capacity remains undetermined and in any event could be consistent with a purely industrial nuclear program.

As for missile capabilities, President Park told a Korean defense industry conference last February that the ROK should develop long-range guided missiles to

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retaliate against North Korean provocations, such as incidents at sea, and in August set a deadline for 1977 for a 500 km-range missile. In the absence of acquisition of fully assembled missiles and associated equipment, such a deadline would probably have to slip until the mid-1980s. However, we know that Seoul asked Lockheed, also in August, for help in developing a rocket propellant plant, and that McDonnell Douglas has been approached for development of a 200-mile range surface-to-surface missile.

If, over the next six to nine months, the ROK moves further to develop a nuclear capability, this could have a deeply unsettling effect on regional stability and on our non-proliferation strategy, as it became known to other powers. The degree of early cooperation among key nuclear suppliers -- and particularly the French -- would be important in inhibiting any such ROK moves. Beyond this we might need to consider using some of our political leverage to dissuade the Koreans from advancing on this track.

We may need to put decisions to you in the near term depending on how our non-proliferation strategy develops and as we get a clearer picture of Korean intentions and actions.

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## NEAR EAST

Nuclear Reactors for Egypt and Israel

The Egyptian response to our draft agreement for nuclear cooperation and indications of the Israeli position could lead to this issue:

-- Whether to provide a nuclear reactor to Egypt alone, or to neither.

Our draft agreement calls for assurances that all future nuclear facilities are under IAEA safeguards. Egypt has asked that the agreement cover all present facilities, which would, of course, apply to the Israeli Dimona reactor. There are indications that the Israelis will not agree to place Dimona under safeguards and are negative about placing all future facilities under IAEA as opposed to US safeguards because they believe the IAEA has become politicized in the Arabs favor. Egypt may decide that it is in its own best interest to put aside the question of the Dimona reactor and to sign our proposed agreement as it stands with its strict controls and safeguards on other Israeli facilities. In testimony before Congress and in public statements, we have said that the provision of nuclear reactors for Egypt and Israel should proceed in parallel, although we did not place such a condition in our offers of nuclear reactors to the two countries. Thus, if the Israelis continue to stall, we would then be faced with a decision as to whether to provide a nuclear reactor to Egypt, while not providing one to Israel.

In considering these alternatives, we will need to weigh: a) The advantages of preventing asymmetries and minimizing instabilities; b) The non-proliferation and broad political advantages and disadvantages; c) The alternatives for Egypt and Israel; and d) Congressional reactions.

We are examining this issue and may need to bring it to you soon for decision.

Increased Arab Activity in the Bab el Mandeb Region

In connection with the Saudi-Egyptian diplomatic initiative to encourage the People's Democratic Republic

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Phone: 202/994-7000, Fax: 202/994-7005, [nsarchiv@gwu.edu](mailto:nsarchiv@gwu.edu)