MEMORANDUM

THE WHITE HOUSE

WASHINGTON

TOP SECRET/SENSITIVE (CONTAINS CODEWORD)

April 29, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

ZBIGNIEW BRZEZINSKI

SUBJECT:

Weekly National Security Report #11

Opinion .

Peace in the Middle East

I would like to make two points regarding the above:

(a) I agree with you that we should not go to Geneva unless we have a reasonably substantial preliminary agreement, at least on the basic principles.

However, I do feel that our public posture regarding Geneva should be more assertive and positive; otherwise, the Israelis will have much less incentive in cooperating prior to Geneva. If we assume that they do not wish to go to Geneva in any case, a public posture which makes Geneva dependent on prior agreement makes it less likely that we will obtain such prior agreement.

On the other hand, a public posture which implies that we may have to go to Geneva in any case (and in Geneva the Israelis fear that a peace plan could be imposed on them) makes it somewhat more likely that real progress will, in fact, be achieved prior to Geneva.

(b) I believe that, while pressing the Arabs to define in a positive way the meaning of peace, we also should ask the Israelis to do the same. They want to open broader diplomatic relations, trade and cultural exchange. These are fine objectives, but they must set some priorities, particularly if peace is to be implemented in stages. Israel cannot realistically expect right away to have a relationship with the Arabs like we have with Canada.

Up to now, both sides have avoided realistic thinking about peace. I would suggest that Cy Vance explore this issue with the Israeli Foreign Minister when they meet in Europe in May.

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#### 2. Facts

### Misery Loves Company

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Over the past two days I kept track of the number of items that came to me, both for information and action purposes. The grand total was 88. A quarter were destined for you. The items that came across my desk in two days totaled 636 pages.

#### Proliferation

good

The <u>Swiss</u> have decided to join the Lordon Suppliers Group and have announced strong new requirements for Swiss exports -- good news.

#### Taiwan Nuclear

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It is now quite clear that the Taiwanese Institute of Nuclear Energy Research has been ordered to terminate its heavy water reactor project and close the hot laboratory. The American effort to crack down on this project clearly yielded its desired results.

## FRG-Brazil Nuclear Deal

A large group (about 100) of employees of the very prestigious Hahn-Meitner Atomic Research Institute in Berlin, have protested the Brazilian deal in an open letter to Minister Genscher. They called for cancellation of the entire contract (surprisingly, including the eight reactors). They also demanded that in the future, the FRG limit its sales to NPT signatories.

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The letter alleges that Brazil based its refusal to sign both the NPT and the Treaty of Tlatelolco (nuclear-free zone for Latin America) on the grounds of possible damage to its "national security and self-defense" and that therefore Brazil clearly wishes to hold open the option for nuclear arms.

The Director of the Institute, Professor Levi, publicly disagreed with these views. Levi stated that Brazil already has atomic weapons capability(!), thereby tacitly confirming the dissenters conclusion, and falling back on the weak -- "if we don't do it somebody else will" -- argument. This remark may turn out to have very damaging consequences, particularly if this letter is the opening shot in a growing domestic battle over the sale.

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But regardless of what happens next, this letter is extremely significant in and of itself, and serves to remind us that Schmidt's government, while having convinced itself that a large nuclear export industry is absolutely vital to the German economy, has by no means convinced the German public of that conclusion, and faces a growing anti-nuclear constituency.

# Meeting with MIA Families

A member of my staff met with Colonel Hopper and Carol Bates, the leaders of the League of Families, for an hour on April 28. They stated that the League would react very negatively should we indicate that we were prepared to accept Vietnamese membership in the United Nations or extend diplomatic relations to Hanoi before we obtain a fuller accounting—the fate of 100-150 MIAs at a minimum—than has been done to date. The League recognizes that the negotiatory strategy of the US must involve some flexibility. It recommends the extension of humanitarian aid to Vietnam and a temporary and partial lifting of the trade embargo, with its continuation contingent upon a fuller accounting.

# Israeli Settlements in Occupied Territories

Five Israeli ministers on April 17 took an "informal" decision to approve a new settlement at Mes'ha on the West Bank, and a group of Nahal settlers moved into an abandoned police station there on April 19. Our Embassy had remarkably little success trying to elicit any information on this subject from the Israelis, who are normally reluctant to discuss settlements with us in view of our formal disapproval of the practice. A Ministry of Foreign Affairs representative later suggested that the location of the settlement near the "green line" (1967 boundary) would place it within the "minor modifications" referred to by President Carter. He indicated that he anticipated land confiscation and the establishment of a permanent mixed urban-agricultural site. I have attached a map of West Bank settlements. The new settlement is west of Qadum.

# Prognosis for India

A Deputy Director of the Reserve Bank of India was here in Washington this week for a presentation at the Overseas Development Council. His short-term economic prognosis for India is pretty bleak. This is likely a bad year agriculturally and worse in industry. Not, however, catastrophic. He believes that growth was zero this past year and that inflation is continuing. He clearly sees the Jan Sangh (Hindu militant) party

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