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DEPARTMENT OF STATE

Washington, D.C. 20520

SECRET

June 14, 1975

MEMORANDUM FOR THE SECRETARY

Draft Letter to Sauvagnargues

Attached draft letter on Prepcon and nuclear suppliers (Tab 1) has been cleared by Robinson and Sisco.

Please note at Tab 2 recommendation of Vest, Lord, and Sonnenfeldt that you not raise nuclear suppliers issue with Sauvagnargues at this time.

Thomas O. Enders

SECRET
GDS

Dear Jean:

A representative from your Embassy here was in touch with us last Monday concerning your concept of moving directly to an enlarged ministerial meeting of 27 countries as a means of relaunching the dialogue on energy, commodities, and other development issues. Since then I have had a report of the ~~conservation~~ versation between Messrs. Froment-Meurice and Robinson.

I have given ~~this~~ your proposal considerable thought, and have come to the conclusion that it presents many more difficulties than advantages.

I recognize your desire to build on the discussions at Kleber in April, but wonder if there was really sufficient agreement to do so. There was only a tentative understanding on a 26 or 27 member group, and on its division between energy producing countries, developing countries, and industrial countries. The whole was at that time conditioned on agreement on an agenda, and on such contentious issues as the status of the International Energy Agency observers. To attempt now through bilateral contacts to establish a basis for agreement on who the 27 ~~will~~ would be, on the representation of the Agency,

His Excellency
Jean Sauvagnargues,
Minister of Foreign Affairs
of the French Republic,
Paris.

and on what the 27 would do strikes me as an impossibly difficult task.

But even if it could succeed, I believe there would be a real question as to its utility. An enlarged conference of this type would be tempted to get into the substance of issues, and to try to set up some way of leveraging issues one against the other. A large conference would be tempted to perpetuate itself, subordinating the commissions to its governance. We could thus have all too easily a mini-UN and the ingredients for a new failure.

It seems to me far more prudent to build on Kleber by reconvening the Preparatory Conference in the same format. After all, the 10 participants agreed that they were not ending their effort, but only suspending it. Although not free of controversy, this forum has the merit of existing; participants in it could very probably agree to reconvene it with a minimum of negotiation.

I recognize the point that has been made to us by many of the producing countries that legitimacy of commissions created by only 10 countries might be contested, notably by developing countries that did

not participate in Kleber. To overcome that point, which I believe valid, the correct solution would appear to be that proposed by Yamani: to use the preparatory meeting to agree on the whole process, the membership of the commissions, their terms of reference, their status vis-a-vis each other, and then to convene a 1 or 2 day meeting of foreign ministers to launch them.

A further point that has been raised by some, that there should be an arrangement for the commissions to report back, seems to me to have much less force. Countries that are concerned that the work of the commissions should proceed more or less at the same pace, can satisfy themselves that this is so by arrangements for the commission chairmen to report to each other the progress of their work. But to report back to the enlarged ministerial meeting would suppose that the ministerial meeting would have to be held again, and that it will have to deal with substantive issues. I do not see that there is any justification for such a substantive, limited membership meeting at ministerial level. If the sentiment is for having a ministerial level forum of wide membership, there can be no possible basis for

not using the Special Session of the United Nations. It has the advantage of being established; of having the broad scope and universal membership desired; and of having an agenda which covers all of the issues at stake.

Please let me know your thoughts on this issue, as I think that there is strong advantage to both of us to remain in close harmony as the dialogue develops.

On another matter, I want to express gratification for the continued, frank and cooperative exchanges we have had on very important nuclear export policy issues. Our first multilateral meeting in London yielded significant progress in understanding the issues to be discussed. I look forward to further progress in reaching consensus among nuclear suppliers on June 18.

In this connection, I attach great importance to the need to exercise restraint in supplying sensitive nuclear technology -- specifically chemical reprocessing and uranium enrichment facilities--or at a minimum in ensuring that such transactions are delayed to the extent practicable, limited in scope, and subject to the tightest possible safeguards and

controls. Only if all suppliers agree to follow such a policy will we be able to stem the trade toward proliferation without commercial disadvantages.

I hope that France will be able to contribute fully to this important endeavor and put its weight behind our urgent efforts to secure on a multilateral basis a consensus on the most effective nuclear export controls we can achieve through common action. I look forward to positive results from our forthcoming meetings and continuing communications between us on this vital matter of mutual interest.

Warm regards,

Henry A. Kissinger

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DEPARTMENT OF STATE

ACTION MEMORANDUM

S/S

14 JUN 1975

SECRET

To: The Secretary

Through: C - Mr. Sonnenfeldt

From: PM - George Vest
S/P - Winston Lord

Status of Nuclear Suppliers Discussions

As you requested, we have prepared a letter for your signature to M. Sauvagnargues (at Attachment 1). Attachment 2 discusses the April 23 preliminary suppliers' meeting and the forthcoming June 18 second-phase meeting, as well as prior and planned bilateral talks with France, the FRG, and other nuclear suppliers.

Recommendation

With regard to the letter to Sauvagnargues, we do not believe that it would be advisable to engage your prestige while the results of next week's meeting are yet uncertain. Therefore, we recommend that you do not sign and send the letter.

Attachments:

1. Letter to Sauvagnargues
2. Discussions with Nuclear Suppliers

Drafted by: PM/NPO:LVNosenzo: S/P:JKaplan
6/14/75 ext 21835

Clearances: ARA/BR: Ms. Elza (subs): EUR/RPE: Mr. Lambert (subs)

SECRET
GDS

THE SECRETARY OF STATE

WASHINGTON

CONFIDENTIAL

Dear Jean:

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Warm regards,

Henry A. Kissinger

His Excellency
Jean Sauvagnargues,
Minister of Foreign Affairs
of the French Republic,
Paris.

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SECRET

Discussions with Nuclear Suppliers

I. Background

Last November, we proposed a multilateral conference with the UK, FRG, USSR, Canada, Japan and France to discuss and to arrive at common understandings on nuclear export controls. While the others in general were agreeable, France did not give us an official response until April. Bilateral discussions were held here in Washington on January 17 and February 28. As a result of these discussions it was clear that although the French were willing to enter into common understandings, they were reluctant to attend a multilateral meeting or to make a specific multilateral commitment.

Because a number of sensitive export cases were pending, such as the FRG/Brazil sale and French sales to Pakistan and Korea, it was imperative to proceed immediately to attempt to formulate multilaterally common guidelines for such exports. You therefore approved in mid-March a US proposal for an exploratory meeting of the key suppliers in late April. The French in Sauvagnargues' letter to you on April 7 agreed to attend given certain assurances, and provided we agreed to confidential US/French talks on bilateral issues of concern to the French-US COCOM policy and US/French industry licensing arrangements.

II. April 23 Exploratory Meeting

A meeting of the seven was held in London on April 23. The US aide memoire was discussed. The French presented their version of the type of understandings the French Government would be willing to undertake. All agreed to continue the multilateral process, with the next meeting to be in London on June 18.

The other participants asked the US to prepare a new paper, taking into account the views expressed in the exploratory meeting as a basis for finding consensus. We prepared such a paper and distributed it in mid-May as a basis for discussion in the June meeting and in bilaterals between participants prior to this meeting.

III. June 18 Preparatory Meeting

The second meeting of the seven nuclear suppliers is set for June 18 in London. Our primary objectives in this meeting are:

-- To obtain preliminary consensus on as stringent a set of safeguard provisions as possible; and

-- To get agreement on a procedure for working out the details of the understandings and for obtaining approval of such understandings by all the suppliers at an early date.

IV. Bilateral Discussions and Issues

Over the period since last November, the US multilateral invitation sparked a number of bilateral discussions with other participants except for the Japanese. These bilaterals covered the question of common policies on nuclear exports and led naturally to confidential discussions of particular export cases, since the two areas are inextricably related. It was clear in pursuing these specific cases that the safeguards and other controls being considered for some of these sales could prematurely set precedents for multilateral understandings below standards that might otherwise be achievable. To prevent this, we are urging supplier restraint or delay of such sales.

A. US/French Talks

Bilateral discussions on common understandings on nuclear export policy were held with the French here in Washington on January 13 and February 28. During these discussions, the French volunteered in detail their current export activities in Spain, India, Taiwan, South Korea, Pakistan, Libya, Saudi Arabia, Iran and Iraq. The sales of particular concern to the US are the proposed French sales of pilot reprocessing plants to South Korea and Pakistan. However, in the interest of ensuring French cooperation in the multinational suppliers effort, the US team refrained from expressing US concern over these particular sales at that time.

Subsequently in private talks with the French in the margins of the April 23 meeting, we referred to our earlier exchange and raised in a preliminary fashion our concern over sensitive nuclear export cases, particularly

the South Korean sale. Last month we requested bilateral talks to prepare for the second multilateral meeting and resume our discussions of nuclear export cases of particular importance. These talks will be held in London prior to the second meeting.

Consistent with the assurances given earlier, bilaterals were held here in Washington on June 6 on changes the French Government would like to see in US COCOM policy and in licensing arrangements between the US and French nuclear reactor industry. We discussed the complicated issues involved in such changes, indicated that these matters were under study and that we would get back to them as soon as possible.

B. US/FRG Talks and the FRG/Brazil Dimension

As a direct result of consultations on the nuclear suppliers conference, the FRG discussed with us the general nature and associated safeguards conditions of their proposed sale to Brazil. Because of our concern over the sale of both enrichment and reprocessing technology as part of package deal along with reactors, Mr. Ingersol, upon our recommendation, requested urgent consultations with the FRG. We chose at this point not to make a parallel approach to Brazil because of the confidentiality of the information provided by the FRG and because of the remote likelihood that we could successfully dissuade the Brazilians from pursuing their stated objective of acquiring a complete fuel cycle.

A US delegation was sent to Bonn in April. In these talks the US team indicated our concern with the unprecedented sale of reprocessing and enrichment to a country which is committed to keeping open a nuclear explosive option and is openly antagonistic to the NPT. We attempted (1) to dissuade the FRG from including these elements as a "sweetener" for their reactor sales; and (2) when the FRG indicated that they would not be dissuaded, we attempted to ensure that safeguards and controls over these sensitive exports were as stringent as possible.

As a result of our discussions, the FRG has told us they are seeking agreement that the IAEA safeguards agreement covering the sale will be a trilateral (FRG/Brazil/IAEA) agreement giving the Germans the right to specify

those facilities in Brazil to be safeguarded by the IAEA. We have also urged continuing FRG participation in policy direction, management, and operations of any reprocessing or enrichment plants built in Brazil with FRG technology, a provision we are trying to obtain in the nuclear suppliers conference. At the moment it is unclear what the FRG position is on this point.

The FRG/Brazil deal became a matter of public controversy following German and Brazilian press play and a statement by Senator Pastore on the Senate floor on June 3. Pastore gave details of the proposed sale, called the FRG action irresponsible, and called upon the US to use its leverage against the FRG to prevent it. Senator Ribicoff later made a more generalized statement on nuclear proliferation, charging that France was selling reprocessing plants to Taiwan, Korea, Pakistan and Argentina. Prior publicity and these senatorial statements intensified the press attention on the subject and triggered persistent questioning on nuclear supply and non-proliferation, both on the general problem of nuclear supply and specifically on the Brazil deal. On June 4 the Department's press spokesman confirmed that the US had expressed its concern to the FRG regarding the nature and extent of this sale, at the same time indicating that we were gratified that the FRG would be applying some controls additional to IAEA safeguards.

While we respected the FRG's desire for confidentiality on the specifics of their sale we did in general terms make our concerns known to the Brazilians in the course of conveying to them our existing policy of not exporting sensitive technology but willingness to provide services to satisfy fuel needs. At Ambassador Crimmins' suggestion, we are now preparing a message which will authorize him to explain to the Brazilians the background of the US/FRG discussions and the nature of our concerns and our interest in future peaceful nuclear cooperation with that country.

C. Other Bilaterals (Canada, USSR, UK)

A number of bilateral discussions have been held with the Canadians on the overall issues of common nuclear export policies and on specific export cases. The most recent meeting was here in Washington on May 27. The key export cases discussed were Pakistan and Korea.

We jointly explored what leverage each of us might have to discourage acquisition of national reprocessing facilities by these two countries.

Bilaterals were held with the Soviets last November in Moscow and more recently in Geneva in the margins of the NPT Review Conference. A number of bilaterals have been held with the UK, the most recent one being on June 11. In all these bilaterals, only the broad issues of common understandings on nuclear export policy were discussed.

V. Possible Written Approach (Attachment 1)

While previous correspondence at this level has been extremely useful vis-a-vis France, we believe that any further approach might best await the results of next week's bilateral and multilateral discussions which we expect to be preliminary to further working level negotiations. Furthermore, it could be difficult for Paris to realign its position in response to a high-level US approach immediately preceding next week's discussions, given the sensitivity of the issue and the delicate balance of bureaucratic interest on the subject within the French Government.

On the other hand, we believe that a letter from you to Sauvagnargues immediately after the June 18 session would be an effective and perhaps even an essential move to help achieve an early multilateral accord with the highest possible standards. If you agree, we would submit a letter for your consideration, taking into account the results of our forthcoming bilateral and multilateral discussions.