

June 19, 1975

**U.S. Embassy London telegram 9376 to State
Department, 'Nuclear Export Policy: Bilaterals with
FRG'**

Citation:

"U.S. Embassy London telegram 9376 to State Department, 'Nuclear Export Policy: Bilaterals with FRG'", June 19, 1975, Wilson Center Digital Archive, National Archives Access to Archival Databases On-line collections, State Department telegrams for 1974 and other years. Obtained and contributed by William Burr.

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Summary:

The U.S. delegation agreed to develop a policy paper that would take into account French and other views so as to reach agreement on the most "stringent" safeguards possible. A central but divisive issue was whether safeguards should apply to the entire nuclear fuel cycle (later known as "full-scope" safeguards). Another issue was whether multinational auspices for reprocessing and enrichment plants should be mandatory or a matter of discretion by a supplier country.

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Message Text

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----- 096565O P 191025Z JUN 75
FM AMEMBASSY LONDON
TO SECSTATE WASHDC IMMEDIATE 2123
INFO AMEMBASSY OTTAWA PRIORITY
AMEMBASSY PARIS PRIORITY
AMEMBASSY BONN PRIORITY
AMEMBASSY MOSCOW PRIORITY
AMEMBASSY TOKYO PRIORITY
AMEMBASSY BRASILIA
USMISSION IAEA VIENNA PRIORITY

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EXDIS

E.O. 11652: XGDS-I
TAGS: PARM, TECH, MNUC
SUBJECT: NUCLEAR EXPORT POLICY: BILATERALS WITH FRG

1. U.S./FRG (VEST/BALKEN) BILATERALS ON NUCLEAR EXPORT POLICY ON JUNE 17 FOCUSED ON GERMAN QUESTIONS ABOUT U.S. DISCUSSION PAPER, ON WHICH THEY HAD NOT REACHED CONCLUSIONS. THEY PROVIDED NO NEW INFORMATION ON BRAZILIAN DEAL.

2. VEST INTRODUCED PAPER AS INTENDED TO BE SPRINGBOARD FOR DISCUSSION; NOTED REACTION OF UK, SOVIETS AND CANADIANS THAT THEY WOULD HAVE PREFERRED IT TO REQUIRE SAFEGUARDS ON ALL PEACEFUL NUCLEAR ACTIVITIES OF RECIPIENT; DESCRIBED FRENCH DESIRE TO COME OUT OF THIS WEEK'S MEETINGS WITH SIMPLER TEXT, INCLUDING BRACKETED ALTERNATIVES, FOR CONSIDERATION BY GOVERNMENTS; SAID WE WERE PREPARING AS POSSIBLE AID TO WEDNESDAY DISCUSSIONS ABSTRACT OF DISCUSSION PAPER WHICH WOULD HIGHLIGHT UNDERLYING PRINCIPLES AND CONCEPTS; NOTED FRENCH SUGGESTION THAT FORMAL MEETING BE HELD IN SEPTEMBER, BUT EXPRESSED
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PREFERENCE FOR JULY IF POSSIBLE AND VIEW THAT EXPANSION

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OF GROUP SHOULD AWAIT COMPLETION OF THIS FIRST STAGE, AND SPOKE OF NECESSITY TO ADDRESS NEXT DAY GUIDELINES FOR HOW THE PARTICIPANTS WOULD PLAN TO RESPOND TO PRESS AND OTHER INQUIRIES.

3. FRG DEL NOTED DETAILED AND SOMEWHAT LEGALISTIC NATURE OF DISCUSSION PAPER AND SAID THEY HAD A NUMBER OF QUESTIONS, BUT WERE PREPARED TO USE PAPER AS BASIS FOR DISCUSSION. THEY STRESSED DESIRABILITY OF MINIMIZING IMPRESSION THAT SMALL GROUP OF RICH COUNTRIES WAS TRYING TO DICTATE TO THE REST OF THE WORLD, OR THE IMAGE OF A CARTEL, AND THUS OF AVOIDING FORM OF DOCUMENT THAT WOULD IMMEDIATELY CREATE SUCH A MISLEADING IMPRESSION.

AGREED WE WOULD ALL HAVE TO LIVE WITH THE UNAVOIDABLE PUBLICITY AND THAT THE PARTICIPANTS SHOULD HARMONIZE THEIR RESPONSES TO PRESS.

4. GERMANS ASKED IF "TRIGGER LIST" REFERRED TO ON FIRST PAGE WAS THE SAME AS THE ZANGGER COMMITTEE LIST. U.S. DEL EXPLAINED THAT IT ESSENTIALLY WAS, WITH CHANGES OF FORMAT TO REMOVE CONNECTION WITH NPT AND SOME FEW ADDITIONS (SUCH AS HEAVY WATER PLANTS, WHICH GERMANS CONSIDERED A LOGICAL ADDITION) AND UPDATING, AND POSSIBLE REFLECTION OF CONSENSUS ON HANDLING TECHNOLOGY TRANSFERS.

5. IN RESPONSE TO QUESTION ABOUT MEANING OF UNPUBLISHED TECHNOLOGY, U.S. DEL ASSURED THEM THAT THIS WAS BASICALLY PROPRIETARY DATA.

6. GERMANS QUESTIONED EXCEPTION PERMITTING BILATERAL SAFEGUARDS, NOTING THAT THIS WAS NOT AVAILABLE TO NPT PARTIES AND WOULD REQUIRE BUILDING A DOMESTIC SAFEGUARDS MECHANISM WHICH THEY WERE NOT IN A POSITION TO DO. U.S. DEL INDICATED THAT EXCEPTION CLAUSE RESPONDED TO FRENCH SUGGESTION AND WAS INTENDED TO COVER RARE, DE MINIMIS CASES.

7. GERMANS EXPRESSED GENERAL AGREEMENT WITH PARAGRAPH ON SECRET

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PHYSICAL SECURITY, THAT COUNTRIES WOULD BE FREE TO GO BEYOND THE MINIMUM STANDARDS, AND THE MEANS OF MEETING THESE STANDARDS WOULD BE A NATIONAL RESPONSIBILITY.

8. PRINCIPAL PROBLEMS RAISED BY GERMAN DEL WERE WITH REQUIREMENT OF MULTINATIONAL PLANTS, INCLUDING (I) HOW, GIVEN THE STRUCTURE OF THEIR ECONOMY, GOVERNMENT CONTROL WOULD BE FEASIBLE; (II) THE SENSITIVITY OF RECIPIENT TO

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INTERFERENCE WITH THEIR NATIONAL SOVEREIGNTY; AND (III)
QUESTIONS AS TO THE EFFECTIVENESS OF THE CONTROL ACHIEVED
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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 W
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O P 191025Z JUN 75
FM AMEMBASSY LONDON
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AMEMBASSY BONN PRIORITY
AMEMBASSY MOSCOW PRIORITY
AMEMBASSY TOKYO PRIORITY
AMEMBASSY BRASILIA
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EXDIS

BY THE MULTINATIONAL STRUCTURE. U.S. DEL (KRATZER)
EXPLAINED THAT THE CENTRAL MINIMUM REQUIREMENT WE NOW
ENVISAGED WAS A SUFFICIENT SUPPLIER ROLE IN THE MANAGE-
MENT AND OPERATION OF THE PLANT TO KNOW WHAT WAS
HAPPENING. HE NOTED THE INHERENT DIFFICULTIES OF SAFE-
GUARDING REPROCESSING PLANTS EFFECTIVELY, AS WELL AS THE
FACT THAT IAEA DOES NOT ALWAYS EXERCISE ITS FULL AUTHOR-
ITY TO SAFEGUARD, AND THE POSSIBILITY OF SAFEGUARDS
BEING TERMINATED. THE GERMANS ASKED WHETHER LATTER
PROBLEM COULD NOT BE MET IN PART BY REQUIRING SAFEGUARDS
TO SURVIVE TERMINATION OF THE AGREEMENT. U.S. DEL
EXPLAINED THAT SUPPLIER ROLE IN MANAGEMENT AND OPERATION
PREFERABLE. GERMANS ASKED WHETHER IT WAS FEASIBLE TO
PLAY SUCH A ROLE, AND U.S. DEL ELABORATED ON DEPENDENCE
OF RECIPIENT ON SUPPLIER'S ASSISTANCE IN OPERATING THE
PLANT. GERMANS INOICATED THAT THIS MIGHT WELL BE SO FOR
INITIAL PERIOD OF 10 - 15 YEARS, BUT EVENTUALLY

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RECIPIENT MIGHT BECOME INDEPENDENT OF SUCH HELP. THEY ALSO NOTED RISK THAT PLANT COULD BE NATIONALIZED.

9. GERMANS ASKED A NUMBER OF QUESTIONS ABOUT NATURE OF SECRET

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SUPPLIER CONTROL, INCLUDING WHETHER WE ENVISAGED A PRIVATE COMPANY EMPLOYEE OR A GOVERNMENT OFFICIAL IN THE PLANT MANAGEMENT; THE MECHANISM AND DEGREE OF GOVERNMENT CONTROL OVER HIM, IF A PRIVATE INDIVIDUAL (E.G., COULD HE BE RECALLED BY THE GOVERNMENT); WHETHER THE SUPPLIER REPRESENTATIVE WOULD HAVE A VETO OVER DECISIONS; AND WHETHER MAJORITY STOCK OWNERSHIP BY THE SUPPLIER WOULD BE NEEDED. U.S. DEL EXPLAINED REGULATIONS GOVERNING USG RELATIONSHIP WITH NUCLEAR INDUSTRY AND INDICATED RANGE OF POSSIBILITIES ON FIRST TWO QUESTIONS) AND GAVE NEGATIVE ANSWERS TO THE LAST TWO. THEY EMPHASIZED, HOWEVER, THAT PROPOSALS REGARDING SUCH SENSITIVE TECHNOLOGY REDUCED BUT BY NO MEANS ELIMINATED RISKS, AS DEMONSTRATED BY PITFALLS ENUMERATED BY FRG, AND THEREFORE THAT AS NATIONAL POLICY U.S. UNDERTOOK NO SUCH TRANSFERS. EARLIER U.S. DEL MADE POINT THAT IN ANY EVENT U.S. CONTINUES TO ADVOCATE MAXIMUM RESTRAINT IN TRANSFER OF SUCH TECHNOLOGY, BUT IF TECHNOLOGY IS TRANSFERRED IT SHOULD BE UNDER STRINGENT CONTROLS.

10. AT DINNER, FOLLOWING MEETING, VEST MADE POINT THAT THE MORE CONTROLS THE FRG COULD INJECT INTO THE BRAZIL SIDE, THE MORE IT WOULD HELP IN DEALING WITH CRITICISMS ELSEWHERE. BALKEN REPLIED THIS WAS BONN'S OBJECTIVE AND IT WISHED TO KEEP US AS INTIMATELY INFORMED AS POSSIBLE. COMMENT. KRATZER WAS TOLD RECENTLY IN BONN THAT WE WOULD BE PROVIDED MORE FACTS ON NATURE OF FACILITIES INVOLVED AND THAT U.S. WOULD BE PLEASANTLY SURPRISED BY DETAILS OF ARRANGEMENT WHEN THESE BECOME KNOWN TO US.

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