

September 15, 1975

**U.S. Embassy London telegram 14177 to State
Department, 'French-U.S. Consultations on Nuclear
Suppliers Meeting'**

Citation:

"U.S. Embassy London telegram 14177 to State Department, 'French-U.S. Consultations on Nuclear Suppliers Meeting'", September 15, 1975, Wilson Center Digital Archive, Declassification release from National Archives Access to Archival Databases Online collections, State Department telegrams for 1974 and other years. Obtained and contributed by William Burr.

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Summary:

Telegram illuminates the U.S. -French dialogue over safeguards and other provisions in the nuclear suppliers' guidance. Arguing that full-scope safeguards was "alien to [their] philosophy," the French suggested that a "traditional interpretation of the contamination principle (i.e., requiring safeguards on any materials produced in exported facilities)," would make it possible to achieve "the practical equivalent" of the Canadian proposal.

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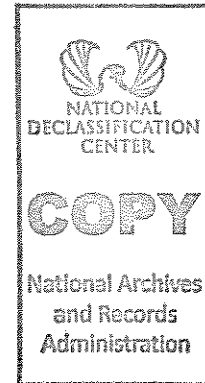
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S E C R E T SECTION 01 OF 04 LONDON 14177

EXDIS

E.O. 11652: XGDS-1

TAGS: PARM, TECH, FR
SUBJECT: FRENCH-U.S. CONSULTATIONS ON NUCLEAR SUPPLIERS
MEETING

REF: (A) PARIS 23388
(B) PARIS 23390
(C) PARIS 23389

1. FOLLOWING IS DETAILED ACCOUNT OF CONSULTATIONS
SUMMARIZED REFTEL A.

2. U.S. TEAM HEADED BY GEORGE VEST (PM), ACCOMPANIED BY
NOSENZO (PM), VAN DOREN (ACDA) AND EMBASSY REPRESENTA-
TIVES SALMON AND MALLOY HELD CONSULTATIONS IN PARIS ON
SEPTEMBER 10 WITH FRENCH TEAM HEADED BY DE NAZELLE, AND
INCLUDING GOLDSCHMIDT, PETIT, GIRARD AND OTHERS.

3. DE NAZELLE OPENED BY SAYING THAT HIS DELEGATION DID
NOT YET HAVE INSTRUCTIONS FOR LONDON MEETING, BUT THAT
THEY ALMOST UNDOUBTEDLY WOULD NOT GO BEYOND RESPONSE THEY
GAVE US LAST FEBRUARY. HE REGRETTED THAT SOME PARTICI-

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PANTS SEEMED TO WANT TO PRESSURE THEM TO GO BEYOND EVEN
THE INITIAL U.S. PROPOSAL, AND ALSO REGRETTED THE PRESS
LEAKS. HE NOTED THAT THEY HAD RECENTLY HAD BILATERAL
CONSULTATIONS WITH THE GERMANS AND BRITISH.

4. VEST EXPLAINED WE HAD MADE, AND WOULD CONTINUE TO
MAKE EVERY EFFORT TO MAINTAIN CONFIDENTIALITY OF TALKS,
AND TO AVOID REVEALING POSITIONS TAKEN BY PARTICULAR
COUNTRIES. HE SAID ANY MODIFICATIONS IN ORIGINAL U.S.
POSITION REFLECTED EVOLUTIONARY NATURE OF PROBLEM, BUT
THAT WE WERE SCRUPULOUSLY AVOIDING ANY EFFORT TO ISOLATE
OR EMBARRASS THE FRENCH. GOLDSCHMIDT ADMITTED THAT WE
HAD NOT DONE SO. VEST NOTED THE BILATERAL CONSULTATIONS
WE HAD HAD WITH THE GERMANS, JAPANESE, CANADIANS AND
BRITISH.

5. GOLDSCHMIDT ASKED ABOUT THE DOMESTIC PRESSURES ON
THIS SUBJECT IN THE U.S. VEST SAID THAT THEY STEMMED
FROM CONCERN OVER PROLIFERATION, RATHER THAN COMMERCIAL
INTERESTS, BUT THAT IT WAS OBVIOUSLY IMPORTANT TO AVOID
SITUATIONS WHERE OTHER SUPPLIERS STEPPED IN WHEN WE
EXERCISED RESTRAINT IN THE INTERESTS OF NON-PROLIFERATION.
IN RESPONSE TO AN INQUIRY BY GOLDSCHMIDT ABOUT A REPORT
OF RECENT TESTIMONY BY ABRAHAM FRIEDMAN, VEST UNDERTOOK
TO SEND GOLDSCHMIDT THE TEXT OF FRIEDMAN'S STATEMENT.

6. PARTICIPATION. DE NAZELLE TURNED TO REQUESTS FROM
OTHERS TO PARTICIPATE IN THE WORK OF THE SUPPLIERS
MEETING. HE SAID THE ITALIANS HAD APPROACHED THEM, BUT

THEY HAD EXPLAINED WHY IT WOULD NOT BE FEASIBLE AT THIS TIME TO EXPAND THE INITIAL GROUP. HE SAID THE IRANIANS HAD ALSO UNOFFICIALLY EXPRESSED GREAT INTEREST IN WHAT WAS GOING ON. THE IRANIANS HAD SAID THEY FELT IT WAS LEGITIMATE FOR SUPPLIERS TO GET TOGETHER AND FORMULATE COMMON SAFEGUARD RULES FOR EXPORTS BUT THAT THE ACTIVITY COULD EASILY BE DISTORTED TO APPEAR AS A SUPPLIER'S CARTEL TO THE THIRD WORLD. BECAUSE OF THIS, THEY HAD INDICATED A DESIRE TO BE OF SERVICE, BUT HAD NOT INSISTED ON BEING ADMITTED AS PARTICIPANTS. HE SAID THAT THE GERMANS, THE BRITISH AND THE FRENCH ALL AGREED THAT IT WOULD BE TOTALLY IMPRACTICABLE TO ENLARGE THE SEPTEMBER MEETING OR THE

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DRAFTING GROUP EMERGING THEREFROM; THAT WE SHOULD CONSIDER WHAT TO DO ABOUT ENLARGEMENT ONLY AT THE END OF THE SEPTEMBER MEETING, WHEN WE WILL KNOW THE PROSPECTS FOR EARLY AGREEMENT ON COMMON GUIDELINES; AND THAT WE WILL BE IN THE BEST POSITION TO DEAL WITH PRESSURES FROM OTHERS IF WE ARE ABLE TO REACH AGREEMENT THIS YEAR ON SOME COMMON DENOMINATOR. HE SAID IF WE FAIL TO REACH CONSENSUS, IT WOULD BE USEFUL TO REVERT TO BILATERAL CONSULTATIONS RATHER THAN

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USMISSION IAEA VIENNA PRIORITY

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EXDIS

SCHEDULE A FOURTH MEETING. IF WE DID REACH CONSENSUS, A DRAFTING GROUP WOULD HAVE TO BE SET UP. A FOLLOW-ON MEETING WOULD THEN BE NEEDED TO FINALIZE THE WORK DONE BY THE DRAFTING GROUP. HE EXPRESSED STRONG PREFERENCE FOR LONDON AS SITE OF SUCH A FOLLOW-ON MEETING AFTER VEST SAID HE WOULD LIKE TO AVOID HAVING EITHER THE DRAFTING GROUP OR THE NEXT MULTILATERAL MEETING IN WASHINGTON, IN VIEW OF THE DESIRABILITY OF STRESSING THE COMMONALITY OF THE GUIDELINES, RATHER THAN HAVE THEM APPEAR TO BE A "U.S. PRODUCT".

7. PHYSICAL SECURITY. FRENCH TEAM SAID THAT WHILE THEY HAD FAVORED THE FIRST ALTERNATIVE VERSION OF PARAGRAPH 3 OF THE DRAFT GUIDELINES MINUS THE BRACKETED LANGUAGE, AFTER THEIR DISCUSSIONS WITH THE UK AND THE GERMANS THEY WERE PREPARED TO ACCEPT THE SECOND ALTERNATIVE WITH A SUBSTITUTE SUCH AS THE FOLLOWING FOR THE LAST TWO SENTENCES: "THE LEVEL OF PHYSICAL PROTECTION TO BE APPLIED ACCORDING TO THE SENSITIVITY OF THE MATERIALS, EQUIPMENT AND INSTALLATIONS INVOLVED, WILL BE AGREED AMONG THE SUPPLIER COUNTRIES, TAKING INTO ACCOUNT EXISTING INTERNATIONAL RECOMMENDATIONS". GOLDSCHMIDT SAID THE FRENCH

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SHARED OUR CONCERN AND OBJECTIVES IN THIS FIELD, AND FIRMLY BELIEVED THAT LAXNESS IN PHYSICAL PROTECTION MUST NOT BECOME AN ELEMENT OF COMPETITION. BUT HE STRESSED THE NEED NOT TO DRAW PREMATURE CONCLUSIONS ABOUT WHAT SPECIFIC REQUIREMENTS WERE BEST IN THIS VERY NEW FIELD. HE SAID THE SUPPLIERS COULD AGREE ON WHAT SORTS OF INSTALLATIONS, FACILITIES, AND FORMS OF MATERIAL WERE HIGHLY SENSITIVE OR LESS SENSITIVE FROM THE POINT OF VIEW OF PHYSICAL SECURITY, BUT THAT THE MEASURES THEY ADOPTED MUST REMAIN CONFIDENTIAL, AND BE THE RESPONSIBILITY OF THE POLICE FORCES OF THE RECIPIENT STATE. USDEL DOUBTED POSSIBILITY OF DEFINING LEVELS OF SENSITIVITY WITHOUT AT LEAST A GENERAL CONSIDERATION OF THE STANDARDS OF PROTECTION THAT WOULD BE APPROPRIATE FOR EACH LEVEL, ADDING THAT NO ONE CONTEMPLATED A DISCLOSURE OF DETAILED MEASURES THAT MIGHT ENABLE TERRORISTS TO EVADE THEM. DE NAZELLE NOTED THAT THE GERMANS WOULD PROPOSE -- AND THAT THEY WOULD SUPPORT -- A SENTENCE NOTING THAT PHYSICAL SECURITY WAS THE RESPONSIBILITY OF THE RECIPIENT STATE. VAN DOREN ASKED ABOUT THE POSSIBILITY OF THE SUPPLIERS AGREEING TO PURSUE SOME ASPECTS OF PHYSICAL SECURITY IN A DIFFERENT AND WIDER FORUM. GOLDSCHMIDT SAID FOR ASPECTS SUCH AS A POSSIBLE CONVENTION COVERING

INTERNATIONAL TRANSIT AND RECOVERY, HE THOUGHT DISCUSSION IN A LARGER FORUM SUCH AS THE IAEA WOULD BE APPROPRIATE, AND NOTED THAT THIS WAS CONTEMPLATED IN PARAGRAPH 11 OF THE DRAFT GUIDELINES. BUT ON STANDARDS, HE THOUGHT WE SHOULD CONCENTRATE ON REACHING CONSENSUS AMONG THE KEY SUPPLIERS, AND ON BILATERAL CONSULTATIONS SUCH AS THE U.S. HAD BEEN HOLDING, NOTING THAT HE DID NOT SEE WHAT A COUNTRY SUCH AS IRAN COULD CONTRIBUTE TO THE DISCUSSION OF SUCH A SUBJECT. (USDEL THEN NOTED THE JAPANESE SUGGESTION THAT PARAS 10-13 OF THE DRAFT GUIDELINES PAPER BE MERGED INTO THE TREATMENT OF CORRESPONDING SUBJECTS IN THE EARLIER PART OF THE PAPER, AND DE NAZELLE SAID HE FAVORED THIS IDEA.)

8. FULL FUEL CYCLE SAFEGUARDS. VEST SAID THE U.S. POSITION WAS THAT WE WOULD BE PREPARED TO ADOPT THE FIRST APPROACH TO SUCH COVERAGE IF CONSENSUS COULD BE REACHED ON IT. HE NOTED THAT THE BRITISH HAD MENTIONED TO US AN

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EXTRAPOLATION FROM THIS APPROACH INVOLVING AN EFFORT IN THE IAEA TO DEVELOP A MODEL AGREEMENT PROVIDING FOR FULL FUEL CYCLE SAFEGUARDS NOT TIED TO THE NPT, AND AN EFFORT TO WIN WIDE ACCEPTANCE OF THIS MODEL.

9. DE NAZELLE REITERATED ADAMANT FRENCH OPPOSITION TO REQUIRING FULL FUEL CYCLE SAFEGUARDS AS A CONDITION FOR SUPPLY, EVEN OF SENSITIVE FACILITIES, SAYING IT WAS TOO ALIEN TO FRENCH PHILOSOPHY. THEY BELIEVE THAT IN PRACTICE, THROUGH THEIR TECHNOLOGY TRANSFER CONCEPT AND THE TRADITIONAL INTERPRETATION OF THE CONTAMINATION PRINCIPLE (I.E., REQUIRING SAFEGUARDS ON ANY MATERIALS PRODUCED IN EXPORTED FACILITIES) THE PRACTICAL EQUIVALENT OF THIS APPROACH COULD BE ACHIEVED.

10. AS FOR THE GERMAN IDEA (SUPPORTED BY THE BRITISH, THE JAPANESE AND POSSIBLY THE CANADIANS) OF STATING THE FIRST APPROACH AS AN OBJECTIVE, THEY COULD NOT JOIN IN A FORMULATION THAT WENT THAT FAR, OR EVEN THAT CHARACTERIZED FULL FUEL CYCLE SAFEGUARDS AS "DESIRABLE", BUT THEY WOULD BE WILLING TO SAY IT WOULD BE "CONVENIENT FOR NON-

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PROLIFERATION PURPOSES" AND THAT IT WOULD "FACILITATE" INTERNATIONAL TRANSACTIONS IN THIS FIELD. (GOLDSCHMIDT NOTED THAT WHERE A RECIPIENT HAD FULL FUEL CYCLE SAFEGUARDS THEY WERE OF COURSE DELIGHTED, AND IT SIMPLIFIED THE NEGOTIATIONS INVOLVED IN THE SALE, BUT THAT THEY COULD NOT REFUSE TO DO BUSINESS WITH THOSE WHO HAD NOT ACCEPTED SUCH SAFEGUARDS.) DE NAZELLE SAID THE GERMANS WERE PREPARING SOME LANGUAGE THAT WOULD TAKE INTO ACCOUNT THE FRENCH POSITION.

11. AS FOR THE BRITISH IDEA OF WORKING OUT A NEW MODEL SAFEGUARDS AGREEMENT IN THE IAEA, GOLDSCHMIDT SAID IT WOULD BE SIMPLE TO REVISE INFCIRC 153 TO DELETE REFERENCES TO THE NPT, BUT THAT HE DID NOT SEE HOW SUCH A MODEL AGREEMENT WOULD ATTRACT COUNTRIES SUCH AS BRAZIL, WHICH HAD REJECTED PRESSURE FROM THE GERMANS TO ACCEPT FULL FUEL CYCLE SAFEGUARDS. BUT HE SAID THE FRENCH WOULD NOT BLOCK AN ATTEMPT TO WORK OUT SUCH A MODEL. HOWEVER, THEY WOULD NOT COMMIT THEMSELVES NOT TO DEAL WITH COUNTRIES THAT REFUSE TO USE SUCH A MODEL. MOREOVER, THEY WERE STRONGLY OPPOSED TO ANY ATTEMPT BY THE IAEA TO DECIDE TO PROVIDE SAFEGUARDS ONLY ON THE BASIS OF SUCH A

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MODEL. IF SUCH A DECISION WERE PUT TO A VOTE, FRANCE WOULD VOTE AGAINST IT, AND IF IT WERE NEVERTHELESS ADOPTED, FRANCE WOULD REVERT TO BILATERAL SAFEGUARDS IN DEALING WITH COUNTRIES THAT DID NOT ACCEPT THE MODEL (SUCH AS BRAZIL AND INDIA, WHICH CLEARLY WOULD NOT

ACCEPT SUCH A MODEL).

12. USDEL NOTED JAPANESE SUGGESTION THAT PARAS (B) AND (C) OF PARA 5 OF FIRST APPROACH BE MOVED TO PARAGRAPH 14. DE NAZELLE CONCURRED.

13. TECHNOLOGY TRANSFER. DE NAZELLE NOTED THAT TO AVOID THE DIFFICULT AND CONTENTIOUS PROBLEM OF DEFINING TECHNOLOGY FOR THIS PURPOSE, THE FRENCH HAD CONCLUDED THAT THE BEST SOLUTION WAS TO OBTAIN COMMITMENT BY THE RECIPIENT NOT TO BUILD FURTHER FACILITIES OF SAME GENERAL TYPE WITHOUT SAFEGUARDS AT LEAST FOR A PERIOD OF 20 YEARS. GOLDSCHMIDT SAID THAT THE TYPES WOULD BE VERY BROADLY DEFINED, E.G., IN ENRICHMENT, ANY GASEOUS DIFFUSION PLANT, OR ANY CENTRIFUGE PLANT, OR ANY JET NOZZLE PLANT, OR ANY USING THE VORTEX PROCESS (WHICH IS HOW HE CHARACTERIZED THE SOUTH AFRICAN PROCESS); IN REPROCESSING, ANY PLANT USING THE SOLVENT EXTRACTION PROCESS (WHICH IS THE PROCESS USED IN ALL CURRENT REPROCESSING PLANTS); FOR HEAVY WATER PLANTS, ANY PLANT USING THE HYDROGEN SULPHIDE PROCESS, OR ANY PLANT USING THE ALTERNATIVE METHOD. (THE CONCEPT WAS THAT ANY FUTURE PLANT OF THE SAME GENERAL TYPE COULD BE CONSIDERED TO BE IMPREGNATED WITH THE TRANSFERRED TECHNOLOGY.) DE NAZELLE NOTED THAT THE KOREANS HAD IN FACT MADE SUCH A COMMITMENT TO THEM, AND THAT THE FRENCH WERE SEEKING THE SAME FROM PAKISTAN, AT LEAST FOR A 20-YEAR PERIOD (SEE REFTEL B).

14. USDEL THEN ARGUED THE CASE FOR INCLUDING REACTOR TECHNOLOGY. GOLDSCHMIDT SAID HE RECOGNIZED THE CASE FOR INCLUDING HEAVY WATER REACTORS, BUT THAT EXTENDING IT TO LIGHT WATER REACTORS WOULD BE TOO DIFFICULT, AND UNNECESSARY SINCE WE STILL HAD THE LEVERAGE OF ENRICHED URANIUM SUPPLY. NOSENZO POINTED OUT THAT CANADA WOULD NOT ACCEPT A RULE THAT SINGLED OUT THEIR REACTORS (EVEN THOUGH THEY CURRENTLY HAD A UNILATERAL POLICY OF

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DEMANDING SAFEGUARDS ON REPLICATED REACTORS), AND POINTED OUT THE DESIRABILITY OF COVERING ADVANCED REACTOR TYPES. PETIT SAID THE PROBLEM OF CLASSIFYING REACTOR TYPES WOULD BE VERY COMPLEX (THERE WERE TOO MANY TYPES, AND MILITARY REACTORS WERE THE EASIEST TO BUILD INDIGENOUSLY), AND COVERING ALL REACTORS WOULD IN EFFECT BE IMPOSING FULL FUEL CYCLE SAFEGUARDS. USDEL POINTED OUT THAT IT WAS WHOLLY CONSISTENT WITH FRENCH APPROACH TO OBTAINING SAFEGUARDS COVERAGE, AND DE NAZELLE ADMITTED THIS. BUT DE NAZELLE, CITING THE DIFFICULTIES HE WAS ALREADY HAVING IN HIS NEGOTIATIONS WITH PAKISTAN, SAID THAT SUCH A REQUIREMENT WOULD OVERLOAD THE CIRCUIT. USDEL ASKED THE FRENCH TO CONSIDER THIS QUESTION FURTHER, AND THE FRENCH INDICATED THAT THIS PROBLEM IS ONE THAT MIGHT BE STUDIED

FURTHER IN THE FOLLOW-UP TO THE SUPPLIERS MEETING, BUT THAT IT WAS NOT RIPE FOR DECISION AT THIS TIME.

15. SUPPLIER INVOLVEMENT IN ENRICHMENT AND REPROCESSING PLANTS. THE FRENCH SAID THAT THEY, LIKE THE GERMANS AND UK, FOUND A MANDATORY REQUIREMENT OF SUPPLIER INVOLVEMENT TOTALLY UNACCEPTABLE BUT COULD ACCEPT A

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FORMULATION ALONG LINES OF PARA 10 "ENCOURAGING" MULTILATERAL PLANTS. DE NAZELLE SAID THAT, JUST FOR THE RECORD, HE WANTED TO KNOW THE EXTENT OF PARTICIPATION WE HAD IN MIND. NOSENZO EXPLAINED THAT WE DID NOT CONTEMPLATE A CONTROLLING INTEREST, OR ANY SUBSTANTIAL EQUITY INVESTMENT; JUST ENOUGH PARTICIPATION TO ENABLE THE SUPPLIER TO KNOW WHAT WAS GOING ON AND RAISE THE ALARM IF NECESSARY. HE CITED THE OPINION OF U.S. INDUSTRY REPRESENTATIVES THAT THE ONLY WAY TO KNOW IF A DIVERSION WAS TAKING PLACE WOULD BE TO PARTICIPATE IN THE OPERATION OF THE PLANT. THE FRENCH OBJECTED BOTH TO BLESSING A TYPE OF U.S. BUSINESS PRACTICE WHICH RECIPIENTS FOUND OFFENSIVE, AND TO THE FACT THAT THE OPERATING PERSONNEL WOULD BE DOUBLING AS ESPIONAGE AGENTS FOR THE SUPPLIER GOVERNMENT. AS A RECIPIENT, THEY COULD NOT TOLERATE SUCH

A SITUATION, AND THUS WOULD NOT WANT TO IMPOSE IT ON OTHERS; IT WOULD NOT BE ACCEPTED BY RECIPIENTS; AND UNDER FRENCH LAW, THEY COULD NOT REQUIRE THEIR INDUSTRY REPRESENTATIVES TO HAVE THIS SORT OF RESPONSIBILITY TO REPORT TO THE GOVERNMENT. NOSENZO NOTED THAT SUPPLIER REPRESENTATIVES WERE QUITE NORMALLY PRESENT IN ATOMIC ENERGY FACILITIES TO HELP ENSURE THEIR EFFECTIVE

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OPERATION AND THAT THEY WOULD NOT BE REPORTING TO THEIR GOVERNMENT UNLESS SOME VIOLATION OF AN INTERNATIONAL UNDERTAKING WERE PRESENT. BUT THE FRENCH SAID THEY COULD NOT LEGALLY REQUIRE THIS. WITH RESPECT TO ENRICHMENT PLANTS, GOLDSCHMIDT SAID THAT WHILE HE ENVISAGED THAT THEY WOULD IN FACT TURN OUT TO BE MULTINATIONAL, HE DID NOT WANT TO FORECLOSE THE OPTION OF ESTABLISHING ONE THAT WAS NOT. VAN DOREN ASKED WHETHER IT WOULD NOT BE POSSIBLE FOR THE SUPPLIERS TO AGREE TO EXERCISE RESTRAINT IN THE EXPORT OF ENRICHMENT AND REPROCESSING TECHNOLOGY, AND DE NAZELLE THOUGHT THAT THIS CONCEPT MIGHT BE INCLUDED IN PARAGRAPH 10, RE ENCOURAGEMENT OF MULTINATIONAL ENRICHMENT AND REPROCESSING PLANTS.

16. RE PARA 7 (20 PERCENT ENRICHMENT REQUIREMENT) GOLDSCHMIDT SAID THE FRENCH HAD NO DIFFICULTIES IN AGREEING.

17. MUTUAL CONSENT CLAUSE. THE FRENCH DELEGATION NOTED THAT PARA 8 WAS THE OTHER POINT IN THE PAPER WHICH THE FRENCH, GERMANS AND BRITISH (AND PROBABLY THE JAPANESE) FOUND UNACCEPTABLE, ON THE GROUNDS THAT IT INVOLVED SUCH A HIGH DEGREE OF SUPPLIER INTERFERENCE. NOSENZO GAVE A VERY FULL EXPLANATION OF THE ADVANTAGES OF HAVING A MUTUAL CONSENT CLAUSE, AND HOW IT COULD BE USED TO PERMIT SUPPLIERS FLEXIBILITY IN CONDITIONS FOR REPROCESSING AND TO HELP SHAPE MULTINATIONAL REGIONAL REPROCESSING. HE ALSO SHOWED HOW IT COULD BE USED TO OBTAIN PERMANENT SAFEGUARDS, THROUGH THE CONTAMINATION PRINCIPLE, ON ANY FACILITY INTO WHICH EXPORTED MATERIAL, OR MATERIAL PRODUCED IN EXPORTED FACILITIES, MIGHT PASS. GOLDSCHMIDT THOUGHT THIS WAS STRETCHING THE CONTAMINATION PRINCIPLE TOO FAR, AND WAS INCONSISTENT WITH THE WAY IN WHICH IT HAD ALWAYS BEEN UNDERSTOOD IN THE PAST. WITH RESPECT TO THE FLEXIBILITY OF THE PROPOSED CLAUSE, HE SAID THAT HE UNDERSTOOD THE PURPOSE OF SUPPLIER MEETING TO BE TO REACH AGREED RULES, NOT AN AGREED CONTRACTUAL FRAMEWORK. VAN DOREN THEN POINTED OUT HOW USEFUL THE MUTUAL CONSENT CLAUSE COULD BE IN ENABLING THE SUPPLIERS TO APPLY AGREED RULES. GOLDSCHMIDT SUMMED UP THE FRENCH ATTITUDE BY SAYING THE CONCEPT OF PARA 8 WAS NOT PALATABLE TO THE

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FRENCH. USDEL INDICATED THEY WOULD ENDEAVOR TO PREPARE A REVISED VERSION OF PARAGRAPH B FOR CONSIDERATION.

19. SANCTIONS. THE FRENCH DID NOT THINK IT FEASIBLE TO SPECIFY IN ADVANCE WHAT SANCTIONS WOULD BE APPLIED, BUT THEY DID CONTEMPLATE THAT IN THE EVENT OF A VIOLATION OF THE GUIDELINES, THE SUPPLIERS WOULD NATURALLY WISH TO CONSULT, AND AGREED THAT NONE SHOULD SEEK TO EXPLOIT THE SITUATION TO HIS OWN COMMERCIAL ADVANTAGE.

20. FRENCH COMMENTS ON KOREAN AND PAKISTANI NUCLEAR SUPPLY SITUATION REPORTED REFTEL B. DISCUSSION OF BILATERAL ISSUES WHICH FRENCH RAISED LAST SPRING REPORTED IN REFTEL C.

RICHARDSON

~~SECRET~~

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