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06-M-0628
SUBJECT: NUCLEAR SUPPLIERS' MEETING, APRIL 28-29, 1977

1. MEETING OF 15 NUCLEAR SUPPLIER STATES HELD IN LONDON ON APRIL 28-29. AFTER APPROVING BRIEF PRESS STATEMENT ACKNOWLEDGING FACT OF MEETING AND NAMING PARTICIPATING STATES, AND HEARING SHORT STATEMENT BY NEW MEMBER (SWITZERLAND), REVIEW OF GUIDELINES COMMENCED WITH PREPARED STATEMENT BY SOVIET UNION (MOROKHOV), STRESSING IMPORTANCE OF ADOPTING FULL SCOPE SAFEGUARDS AS CONDITION OF SUPPLY (SEPTEL).

2. FULL SCOPE SAFEGUARDS, ALL DELEGATIONS EXCEPT FRANCE, WHICH STATED THAT THERE HAD BEEN NO CHANGE IN ITS POSITION, ALTHOUGH WE WERE PRIVATELY TOLD THAT DELEGATION WOULD RAISE QUESTION OF RECONSIDERATION AT HIGH LEVEL IN PARIS, NOTING THAT POLITICAL DECISION WOULD BE REQUIRED) AND THE FRG, (WHICH WAS NON-COMMITAL) EXPRESSED SUPPORT FOR FULL SCOPE SAFEGUARDS AS CONDITION OF FUTURE SUPPLY COMMITMENTS. QUESTIONS WERE RAISED, HOWEVER, AS TO WHETHER FORMULATION PROPOSED BY UK AND USSR SHOULD NOT BE CONFINED TO ALL OF THE RECIPIENT'S PEACEFUL NUCLEAR ACTIVITIES, RATHER THAN ALL OF ITS NUCLEAR ACTIVITIES. (THIS POINT WAS INITIALLY RAISED BY THE NETHERLANDS, WHICH WAS TOLD BY UK REP THAT THIS POINT WAS TAKEN CARE OF BY PREAMBLE TO GUIDELINES, WHICH STATES THAT THEY DEAL WITH TRANSFERS TO NON-NUCLEAR WEAPON STATES FOR PEACEFUL PURPOSES. DUTCH REP APPEARED SATISFIED BY EXPLANATION, BUT ITALIAN REP SAID HE WAS NOT AND RAISED THE ISSUE AGAIN). SWISS DELEGATE CIRCULATED TWO ALTERNATIVE DRAFTS DESIGNED TO DIFFERENTIATE BETWEEN RECIPIENTS THAT WERE NPT PARTIES AND THOSE THAT WERE NOT. PURPOSE WAS (A) TO ENSURE THAT ONLY PEACEFUL NUCLEAR ACTIVITIES OF NPT PARTIES WERE COVERED AND (B) TO AVOID APPLICATION TO NPT PARTIES OF THE REQUIREMENTS IN GOV.1621 THAT SAFEGUARDS CANNOT BE TERMINATED ONCE THEY APPLY. FRG, ITALIAN AND JAPANESE REPRESENTATIVES INDICATED AGREE-
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3. SANCTIONS. US REPRESENTED PROPOSED FORMULATIONS ON SANCTIONS CONSISTENT WITH PROVISIONS OF ADMINISTRATION'S NON-PROLIFERATION BILL. THERE WAS WIDESPREAD SUPPORT AT MEETING FOR IDEA OF INCLUDING SOME PROVISIONS ON SANCTIONS IN GUIDELINES, BUT A NUMBER OF RESERVATIONS ABOUT PARTICULAR FORMULATION PROPOSED. SEVERAL DELEGATIONS SAW DIFFICULTIES IN APPLYING SANCTIONS TO ACTIVITIES THAT DID NOT CONSTITUTE VIOLATIONS OF AN AGREEMENT (E.G., A NUCLEAR EXPLOSION BY A NON-NUCLEAR WEAPON STATE THAT HAD NOT UNDER-TAKEN NOT TO CONDUCT SUCH AN EXPLOSION AND USED NO SAFE-GUARDED MATERIAL, OR A LEGAL TERMINATION OF SAFEGUARDS). QUESTIONS WERE ALSO RAISED ABOUT WHO WOULD DECIDE WHETHER A CLEAR AND MATERIAL VIOLATION HAD OCCURRED, AND WHETHER SUCH DECISION COULD BIND STATES THAT DID NOT SHARE THE CONCLUSION REACHED. A REVISED DRAFT WAS PREPARED BY THE US AND CANADIAN DELEGATIONS FOR CONSIDERATION. THE CHAIRMAN SUGGESTED THAT BOTH THE DRAFT AND THE GENERAL SUBJECT BE THE SUBJECT OF STUDY AND CONSULTATIONS BEFORE THE NEXT MEETING OF SUPPLIERS, AT WHICH THE TOPIC WOULD BE CONSIDERED FURTHER.

4. REQUIREMENT OF SUPPLIER CONSENT TO REPROCESSING AND STORAGE. WHILE THE CANADIANS, US, AND SOVIETS FAVORED AMENDMENT OF THE GUIDELINES TO MAKE THIS REQUIREMENT MANDATORY, IT BECAME CLEAR THAT CONSENSUS COULD NOT BE REACHED AT THIS MEETING ON SUCH A REQUIREMENT.

5. MORATORIUM. WHILE NOT DISCUSSED AT THE PLENARY MEET-INGS, THE GERMANS (AS WELL AS THE FRENCH, BRITISH, ITALIANS, BELGIANS AND SOVIETS) PRIVATELY CONFIRMED THEIR INTENTION TO OBSERVE A MORATORIUM AT LEAST ON NEW COMMIT-MENTS TO TRANSFER REPROCESSING PLANTS OR TECHNOLOGY.
6. WORKING GROUP, THE CHAIRMAN (UK) PROPOSED THAT A
WORKING GROUP BE ESTABLISHED TO DEAL WITH PROBLEMS ARISING
FROM IMPLEMENTATION OF THE GUIDELINES, WITH FOCUS ON THE
PROBLEMS ARISING FROM OVERLAPPING REQUIREMENTS FOR CON-
SENT WHERE MORE THAN ONE SUPPLIER WAS INVOLVED. WHILE
THERE WAS CONSIDERABLE SUPPORT FOR THIS IDEA, IF THE
MANDATE WERE NARROWED TO DEAL SOLELY WITH THE OVERLAP-
PROBLEM, THE SOVIETS OBJECTED TO THE ESTABLISHMENT OF
SUCH A GROUP AT THIS MEETING. ACCORDINGLY, THIS ITEM WAS
DETERRED FOR FURTHER CONSIDERATION AT THE NEXT MEETING.

7. OTHER CANADIAN SUGGESTIONS. THERE WAS NO SUPPORT FOR
THE CANADIAN SUGGESTION THAT THE GUIDELINES BE CONVERTED
INTO LEGALLY BINDING COMMITMENTS. THOSE DELEGATIONS
WHICH SPOKE CITED THE REQUIREMENT THIS WOULD IMPOSE FOR
PARLIAMENTARY APPROVAL OF THE GUIDELINES. SEVERAL LESS
SIGNIFICANT CANADIAN PROPOSALS, INCLUDED IN THE AIDE
MEMOIRE CIRCULATED PRIOR TO THE MEETING, WERE ALSO DIS-
CUSSED BUT RECEIVED NO SIGNIFICANT SUPPORT.

8. INFCEP. US REP (NYE) REFERRING TO U.S. MEMORANDUM
THAT HAD BEEN FURNISHED TO PARTICIPANTS IN ADVANCE OF
MEETING, ELABORATED ON PURPOSE AND SCOPE OF INFCEP AND
HOW IT COULD BE ORGANIZED. HE STRESSED THAT INFCEP WAS
SEPARATE FROM SUPPLIERS' EFFORTS, WOULD BE OPEN TO ALL
INTERESTED COUNTRIES (AVOIDING SUPPLIER-RECIPIENT, NORTH-
SOUTH, AND OTHER DISCRIMINATION), AND WOULD NOT BE
SECRET. THORNE (ERDA) THEN DESCRIBED U.S. $750 MILLION
PROGRAM, ALREADY IN PROGRESS IN SUPPORT OF INFCEP.
PRESENTATIONS WERE WELCOMED, WITH MANY DELEGATIONS EX-
PRESSING INTEREST IN PARTICIPATING, PARTICULARLY
SUPPORTIVE STATEMENT MADE BY KOOJMAN (NETHERLANDS).
QUESTIONS WERE PRIMARILY ON HOW PROGRAM WOULD BE ORGAN-
IZED, ITS RELATIONSHIP TO IAEA, WHETHER IT WOULD INCLUDE
FAIR CONSIDERATION OF REPROCESSING, AND WHETHER END
RESULT WAS INTENDED TO BE BINDING AGREEMENT. THE STRONG
INTEREST AND POSITIVE RESPONSE MADE THE INFCEP PRESENTA-
TION THE HIGHLIGHT OF THE MEETING.

9. ENLARGEMENT OF MEMBERSHIP AND PUBLICATION OF
GUIDELINES WERE DISCUSSED, BUT CONSENSUS WAS THAT ACTION
ON BOTH SHOULD BE DEFERRED UNTIL COMPLETION OF CURRENT
REVIEW OF GUIDELINES. THERE SEEMED TO BE BROAD AGREE-
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MENT THAT ENLARGEMENT SHOULD INCLUDE REMAINING EIGHT MEMBERS OF ZANGGER COMMITTEE (INCLUDING AUSTRALIA), AND SOME MAJOR THIRD WORLD RECIPIENT COUNTRIES (SUCH AS IRAN AND BRAZIL). GERMANS PRESSURED FOR EARLIEST AND BROADEST ENLARGEMENT TO DEFUSE NORTH-SOUTH TENSIONS IN THE NUCLEAR FIELD. THEY SEE AS HAVING BEEN FED BY SUPPLIER EFFORT. US AND UK AGREED ON IMPORTANCE OF NORTH-SOUTH QUESTION, NOTING UTILITY OF INFCEP AS "SECOND TRACK" IN CUTTING ACROSS DIVISIONS, AND TOOK POSITION THAT AFTER THE COMPLETION OF THE REVIEW THE GROUP SHOULD BE OPEN TO ANY COUNTRY WHICH ADHERED TO THE GUIDELINES. THE GROUP WOULD THEN DEAL WITH INTERPRETATION AND IMPLEMENTATION. BRITISH REPORTED APPLICATION BY SPAIN TO JOIN THE GROUP. CANADIANS NOTED THAT GUIDELINES HAD BEEN UNOFFICIALLY PUBLISHED IN SWISS PRESS, BUT SWISS REPRESENTATIVE GAVE ASSURANCE THAT THIS WAS NOT AUTHORIZED BY HIS GOVERNMENT. IT WAS AGREED THAT LEAK DID NOT CHANGE DECISION ON MAINTAINING CONFIDENTIALITY.

10. NEXT MEETING SCHEDULED FOR LONDON JUNE 22-23, WITH JUNE 24 HELD IN RESERVE. CHAIRMAN STRESSED HOPE THAT REVIEW OF GUIDELINES BE COMPLETED AT THAT MEETING, AND URGED INTENSIVE, TIMELY CONSULTATIONS DESIGNED TO ACHIEVE RESOLUTION OF REMAINING ISSUES.

11. OTHER BUSINESS, VERY BRIEF PRESS STATEMENT ON COMPLETION OF MEETING, MENTIONING THAT FURTHER MEETING WOULD BE HELD LATE IN JUNE, WAS APPROVED, AS WAS NON-COMMITAL UK RESPONSE TO SPANISH EXPRESSION OF INTEREST IN JOINING THE GROUP. TEXT OF PRESS STATEMENT FOLLOWS:

12. QUOTE THE NUCLEAR SUPPLIERS GROUP COMPLETED ITS MEETING IN LONDON TODAY. REPRESENTATIVES OF GOVERNMENTS ATTENDING THE MEETING DISCUSSED THEIR EXPORT POLICIES IN THE LIGHT OF THEIR SUPPORT FOR PEACEFUL NUCLEAR COOPERATION AND THEIR COMMON CONCERN WITH NON-PROLIFERATION. THEY AGREED TO RESUME THEIR DISCUSSIONS AT A FURTHER MEETING TOWARDS THE END OF JUNE. UNQUOTE.

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