P810013-2051

PRINT

DEPARTMENT OF STATE

(2)

March 26, 1975

NUCLEAR SUPPLIERS CONFERENCE/French Participation

1. We are concerned about the possibilities for nuclear proliferation growing out of increased exports of material and technology for civil nuclear purposes (power) that could be used to develop a capability to make bombs.

2. Commercial competition in this field is intense. We believe therefore that some form of common understandings leading to common policies on sensitive exports is needed.

3. We have proposed to six key supplier states (Canada, U.K. FRG, USSR, France, and Japan) that a conference be held to try to reach common policies on nuclear exports.

4. When first approached last fall, France was reluctant to agree to such a conference. The President raised the matter with Giscard at Martinique and the French agreed to talk with us further.

4. Two meetings were held in Washington. One in January; one on February 28. These meetings showed that there was some commonality in our substantive postions (based on discussions of a five point U.S. aide memoire which was prepared in connection with the original invitation to the conference). However, the French did not agree to attend the conference.

5. They have told us they fear:

- joining a cartel of nuclear "haves"
- being isolated at a conference and either being pressured to adopt unacceptable policies or made to look like a "renegade" supplier.
- being pressured into joining a COCOM-like arrangement.

6. On March 3 the Secretary wrote to Sauvagnargues asking for his agreement to participate in the conference.

7. Sauvagnargues replied that he wished to take up the matter with the Secretary in April.

8. Secretary Kissinger will hold a meeting today to decide on next steps. He has been given a paper (which is being revised this morning by PM) proposing two options: (1) do nothing until April or (2) pursue bilateral discussions with the other participants, in which the French postions would be discussed, while awaiting the French response. The paper recommends the second option, linked to a letter which the Secretary would send to Sauvagnargues telling him what we propose to do.

9. My belief is that the French will make up their minds on this issue based on the information they already have. There isn't much that can be done with the Ambassador at this point. To some extent one could attempt further to assuage French fears. Clearly, our thinking is not directed toward a COCOM arrangement. On the other hand, we would expect a conference to exert some pressure on French positions and do not want them to think that a conference would quickly agree on least common denominator positions.

EUR/RPE: DLamb:1/26/75

(2A)

March 26, 1975

BACKGROUND PAPERS

1. Paper for Martinique. Includes U.S. five-point agenda for propsed conference

2. Memcon on February 28 second bilateral with French

3. French paper tabled on February 28.

4. March 3 letter to Sauvagnargues

5. Options memo for Secretary (revised version will be used for a meeting today).

THE COUNSELOR
DEPARTMENT OF STATE
WASHINGTON

→ 378

2B

UNCLASSIFIED
SECRET/NODIS

December 4, 1974

MEMORANDUM FOR: SECRETARY KISSINGER

FROM: Helmut Sonnenfeldt
Winston Lord

SUBJECT: Nuclear Safeguards Discussions at Martinique

Attached for your approval are the nuclear safeguards portion of your memo to the President on Martinique (Tab A) and the briefing papers on the same subject (Tab B).

They highlight the need for President Giscard personally to consider our proposal that a nuclear suppliers' conference work toward coordinated and strengthened nuclear export policies. French participation in such a multilateral effort to strengthen safeguards is the cornerstone of our non-proliferation program and is of major concern to the other key suppliers we have approached.

Approaching the French at high political levels remains the only course of action likely to succeed in drawing out a positive response. As anticipated, the French bureaucracy has reacted negatively to our proposals, choosing to push instead for technical bilaterals of indefinite duration and to link any nuclear safeguards cooperation with broader cooperation in the scientific, technological and military spheres. However, we now have in hand positive responses to our conference proposal for all the other potential participants but the Japanese, who are expected to agree in the near future. Thus, the stage is set to approach the question of French participation at the Presidential level and in the context of the broad issue of US-French political relations. The French have put non-proliferation on the Martinique agenda along with the broader subject of nuclear cooperation, and can be expected to link the two issues.

We recommend you approve the attached papers. Vest, Hartman and Ikle concur in this approach.

Approve _____ Disapprove _____

Attachments:
Tab A - Memo to the President
Tab B - Briefing Papers

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SECRET/EXDIS

(2C)

EXCERPTS ON NUCLEAR SAFEGUARDS
FROM THE MEMORANDUM TO THE PRESIDENT

The U.S. has invited France to join with other nuclear supplier states in a coordinated effort to inhibit proliferation, and has put forward a proposal for a small, private conference of key nuclear suppliers as a first step. We do not consider that efforts to press the French on the NPT question would be fruitful, and view the proposed conference as a parallel effort in which the French might join. The French have not formally responded to our invitation but at their request AEC Chairman Ray and ACDA Director Ikle visited Paris for bilateral discussions of nuclear export questions in late November. They were told by the French Foreign Ministry that while the GOF would study with interest the results of their discussions, there was no indication that France was prepared to accept the invitation.

Talking Points

1. I am concerned about the implications for international stability of widespread dissemination of nuclear weapons and the ability to manufacture them. We believe that France shares with us a common interest in this regard, and we recognize that a French role is essential to the success of international non-proliferation efforts.

2. One way we can minimize this danger is to work together and with the other major nuclear suppliers to coordinate and strengthen safeguards over nuclear exports. We believe that coordinated export policies can be developed which will inhibit proliferation without conferring commercial advantage on any s[illegible]le and which will permit the continued flow of [illegible] legitimate benefits of nuclear energy to countries which desire them.

3. We have made a proposal for a private conference of the major suppliers as a first step in this direction. This proposal has my strong personal support and I hope you will give it yours.

SECRET/EXDIS

DEPARTMENT OF STATE

BRIEFING PAPER

(20)

P810013-2056

NON-PROLIFERATION AND NUCLEAR SAFEGUARDS

The Need for French Cooperation

A major component for our strategy for impeding nuclear proliferation is cooperation among the principal nuclear exporters to assure that non-nuclear weapons states (NNWS) are not able to develop or acquire independent nuclear explosives capabilities.

France's willingness to coordinate its future nuclear export policies is critical to the success of our non-proliferation strategy. Several countries, including the UK, Canada, the FRG and Australia, have made clear that they would favor stronger nuclear export and safeguards policies, provided that all major nuclear exporters act along the same general lines. Moreover, France is now making important decisions regarding the supply of reprocessing and enrichment facilities to states which have given evidence of nuclear weapons aspirations, including Korea, Pakistan, Argentina and Brazil.

The French Attitude

The French have stated that they intend to discourage proliferation of nuclear weapons, a position reiterated in a recent press conference by President Giscard himself. French officials have said they would require safeguards on exports, acting in this respect "as if" they were an NPT party. They have, however, been reluctant to give detailed explanation of their safeguards policy and remain aloof from ongoing international efforts to standardize safeguards requirements, preferring what they describe as a "case-by-case" system. Thus in many cases we do not know what safeguards duration and other provisions

the French require on their nuclear exports. The motives behind this French reticence may include a desire to retain maximum flexibility and leverage to advance French commercial interests, and to uphold their ideological commitment to French independence and to France as an alternative partner for developing countries. These considerations are buttressed by long-held suspicions of key French civil servants, particularly in the atomic energy bureaucracy, that U.S. nuclear initiatives are animated by an interest in political-military dominance and commercial advantage.

Nevertheless, we have some recent evidence of a more positive French attitude. Giscard's recent public statement on the problem of nuclear proliferation suggests an increased interest in non-proliferation efforts. In private discussions with the Canadian Prime Minister he expressed some interest in adopting export standards equivalent to other suppliers. In addition, the French have a commercial incentive to assure international safeguards at least as stringent as those they assert they are willing to apply, and more specifically to head off the building of new uranium enrichment plants elsewhere. Finally, they will continue to depend on continuing supplies of highly enriched uranium from the United States since their own production goes entirely to French military programs.

Suppliers' Conference Proposal

This fall we have communicated with the French on the need for nuclear export controls on several levels. In October and early November, the United States suggested to the Governments of France, the USSR, the United Kingdom, West Germany, Canada and Japan that safeguards over nuclear exports should be coordinated and strengthened and that a first step might be a small, confidential conference of major nuclear suppliers to consider common policies. (A copy of the U.S. Aide Memoire proposing the conference and suggesting five possible areas of action is attached.) To date we have received

positive responses from Canada, the UK, FRG and (in principle) the USSR. We also expect a positive response from the Japanese. The French have not officially responded to this proposal. During bilateral discussions in Paris at the end of November with U.S. Atomic Energy Commission Chairman Ray and ACDA Director Ikle, senior French civil servants expressed their preference for a bilateral and ad hoc approach. However, they have accepted the general relevance and importance of nuclear safeguards issues and expressed interest in continuing bilateral discussions at the technical level. The French now propose that non-proliferation be addressed at Martinique.

These initial discussions have generally confirmed our expectation that long-standing French bureaucratic suspicions of multilateral coordination of nuclear export policies remain largely unchanged, despite increased concern at the political level. Thus, while there are indeed technical questions to be discussed, the essential decision must be made by President Giscard d'Estaing himself.

Hence the stage is set for pursuing this in your meeting with Giscard: doing so will give maximum effect to our approach, and possibly give Giscard something of a personal stake in a cooperative French response. Our objective in this meeting will be to elicit French agreement in principle to coordinated export policies to be brought about through a small, private suppliers' conference. We will not want, of course, to preclude the possibility of other vehicles for achieving as explicit French cooperation as possible with multilateral nuclear export policies, should they decline to attend the proposed conference.*

*Alternative, although less desirable, means of securing French cooperation might include a conference of the other participants whose decisions could be coordinated with France (Soviet cooperation in earlier nuclear export efforts was arranged along analogous lines), or a series of bilateral consultations leading to agreements with regard to specific policies. These alternatives might require further study and consultations with the other key suppliers before being discussed in any detail with the French.

In view of the agreement of other key nuclear suppliers to attend the proposed conference, we should avoid premature suggestions about alternative approaches. However, if it becomes clear that France has decided not to attend the conference, we should indicate willingness to hear French and other suggestions about ways in which cooperation might take concrete form. Our approach to Giscard should emphasize the common interest in this enterprise, and, of course, avoid giving the impression that we are seeking commercial advantage over France, that we have more at stake than others, or that we are demandeurs and will owe the French something if they cooperate.

Non-Use of Nuclear Weapons

On a related issue, President Giscard d'Estaing indicated in a press conference on October 24 that non-proliferation objectives would be served by eliminating the insecurity that propels non-nuclear countries toward acquisition of nuclear weapons. He pledged that during his presidency France would not use nuclear weapons against nuclear-weapons states unless they threatened French soil. He suggested that other nuclear powers make similar pledges. On various occasions the Soviet Union and the PRC have indicated their readiness to make such undertakings.** The U.S. has never made such a comprehensive pledge, although in 1968 we ratified a protocol to the Treaty for the Prohibition of Nuclear Weapons in Latin America which includes a commitment not to "use or threaten to use" nuclear weapons against Latin American parties to the Treaty, noting that this understanding would not apply in case of an armed attack by such a party assisted by a nuclear weapons state.

Attachment:

U.S. Aide Memoire

(2E)

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POTENTIAL COMMON NUCLEAR EXPORT AND SAFEGUARDS POLICIES

The USG envisions undertakings among suppliers to establish common restraints and conditions on nuclear supply, with a view to minimizing the risks of nuclear weapons proliferation. We are considering a small, private conference of key suppliers as a means of working out such understandings. All suppliers would of course be free to apply more restrictive policies.

As of 2/26/75

French agree

Suggested Policies for Discussion

1. Nuclear cooperation would be undertaken with non-nuclear weapon states only under agreements as to peaceful uses, which would explicitly exclude use in any nuclear explosive devices.

"

2. Nuclear supply would be undertaken only when covered by IAEA safeguards, with appropriate provisions for duration and coverage of produced nuclear material.

French do not believe "special restraint" is possible

3. Supply of weapons-grade material, or of uranium enrichment or chemical reprocessing equipment or technology, to non-nuclear weapon states should be subject to special restraint. Such special restraint might include supply only for enterprises with multinational participation, or only to those non-nuclear weapons states which have made a general commitment to non-proliferation, and which have accepted IAEA safeguards on their entire nuclear fuel cycle.

Agree in general

4. Nuclear supply would include appropriate requirements for the physical protection of materials and facilities against theft, seizure and sabotage.

French do not like this at all

5. Stringent conditions might be developed on the supply of sensitive nuclear material, equipment, or technology to countries or regions where such exports would contribute to particular risks of conflict or instability.

The above list of possible policies is intended to illustrate the types of issues where understandings might be reached. It is not intended to represent an exhaustive examination of the issues.

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Issues and Talking Points

NON-PROLIFERATION AND NUCLEAR SAFEGUARDS

French Position:

France has refused to accede to the Non-Proliferation Treaty (NPT) or to participate in previous multilateral efforts to coordinate nuclear export policies. However, French officials have recently evidenced increased concern about nuclear proliferation, indicating that they would not be the weak link in the chain and expressing sympathy for the substance of our proposals.

France has not officially responded to the U.S. suggestion that coordinated and strengthened nuclear export policies be considered by a conference of key suppliers, but senior French officials have expressed skepticism about such a conference. Long-standing Gaullist suspicions about American technological dominance and reluctance to cooperate multilaterally in this crucial area suggest the need for a fundamental policy decision by President Giscard d'Estaing, followed by further technical discussions requested by lower GOF levels.

As a contribution to diminishing longer-term motivations for nuclear proliferation, Giscard recently pledged that as long as he was President, France would not use nuclear weapons against non-nuclear countries unless they threatened French soil, and indicated that other nuclear powers should follow suit.

U.S. [illegible]ion:

The U.S. has invited France to join with other nuclear supplier states in a coordinated effort to devise export policies which will inhibit proliferation. We have suggested five areas in which we believe coordination will be useful and have put forward a proposal for a small private meeting of key nuclear suppliers as a first step. In view of

long-standing French opposition to the NPT we have depicted the proposed conference as a separate effort in which the French might join without prejudice to their position on the NPT.

The U.S. has accepted a modified "non-use commitment" in relation to the Latin American Nuclear Free Zone, but has not been willing to accept a broader commitment such as that proposed by Giscard.

Your Talking Points:

-- I am concerned about the implications for international stability and security of widespread dissemination of nuclear weapons and the ability to manufacture them. We believe that France shares with us a common interest in this regard, and we recognize that a French role is essential to the success of international non-proliferation efforts.

-- One way we can minimize this danger is to work together and with the other major nuclear suppliers to coordinate and strengthen safeguards over nuclear exports. We believe that coordinated export policies can be developed which will inhibit proliferation without conferring commercial advantage on any state and which will permit the continued flow of the legitimate benefits of nuclear energy to countries which desire them.

-- We have made a proposal for a private conference of the major suppliers as a first step in this direction. This proposal has my strong personal support and I hope you will give it yours.

If Giscard asks about the relationship of the conference to the NPT:

-- We continue to consider the NPT as a key element in the effort to inhibit nuclear proliferation. However, we recognize that our respective views differ in this regard and we believe that effective measures to coordinate export policies can be developed outside the NPT framework.

If the French President says France has decided not to participate:

-- We are disappointed by this decision but in view of our common desire to inhibit further proliferation we would wish to consider further with you, and the other major countries concerned, alternative ways in which to coordinate nuclear export policies, including any suggestions you might have as to agenda or format.

If the French President brings up the commitment not to use nuclear weapons against non-nuclear states:

-- We are concerned about the implications of a generalized pledge for our security and that of other countries to whom we have security commitments. However, we would be willing to listen to any further elaboration you might have to offer on this idea.

SECRET/EXDIS

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: February 28, 1975
Place: C Conference Room

SUBJECT: US/French Talks on Non-Proliferation

PARTICIPANTS: FRANCE

M. de Nazelle, Director, Scientific Affairs Dept. Ministry of Foreign Affairs
M. Goldschmidt, Director, International Affairs, CEA
M. de Bellescize, Counselor, Embassy of France
M. Chauvin, Asst. Attache, Atomic Energy Affairs, Embassy of France

UNITED STATES

Mr. Vest, Director, Politico-Military Bureau
Mr. Bartholomew, S/P
Dr. Boright, ACDA
Mr. Seivering, ERDA
Mr. Terrell, C
Mr. Nosenzo, PM/NPO

COPIES TO: Mr. Ingersoll, State
Mr. Terrell for Mr. Sonnenfeldt, State
Mr. Bartholomew for Mr. Lord, State
Mr. Hartman, EUR, State
Mr. Hyland, INR, State
Mr. Sievering for Mr. Seamans
Mr. Boright for Dr. Ikle, ACDA
Dr. Elliott, NSC

Morning Session

Mr. Vest opened the meeting and welcomed the French delegation. Vest said that he was prepared to discuss the current status of talks with other participants, as the French had requested, whenever appropriate.

M. de Nazelle thanked the US for the meeting on such short notice and turned the discussion over to M. Goldschmidt.

PM/NPO:LVNosenzo/ds
(Drafting Office and Officer)
3/6/75
FORM DS-1254
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SECRET/EXDIS
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IPS by HARE Date 4/27/2009

Goldschmidt said they had a confidential aide memoire to give the US which presents the French position on the US five points. He said the French Government had not yet made up its mind on the suppliers meeting. However, the French Government fully accepted the basic principle that there is a need for suppliers to avoid safeguards competition on nuclear exports. The reason they were here was in response to Dr. Kissinger's conversation in Paris, where he stressed the importance and urgency the US attaches to its proposal and the desirability of a fruitful step by France before March.

Goldschmidt and de Nezelle described the French paper as the maximum commitment France would be willing to make. They stressed that there had been difficulty in approving this position since there was opposition of those who, while concerned about potential proliferation, felt that France should maintain its current status of independently applying its non-proliferation policy.

Goldschmidt said the paper presented the substance of the commitment France would probably be willing to take and that the form and framework for the commitments was still to be determined. His government was ready to make this considerable step, and after obtaining the US reaction, and following a comprehensive US/French bilateral, the French Government would decide whether or not to attend the suppliers meeting.

Goldschmidt then said he would make a short statement on their position paper and the follow-on actions they were proposing. He said the paper basically reflects the views the French had expressed in the January talks. In the interest of expediency, the French Government had sent de Nazelle and himself to convey and explain the paper and obtain US reactions and observations. In this regard, they were prepared if necessary to stay the next day. They would then prepare a report on US reactions, meet with French ministers early next week, probably Tuesday, to consider the matter and decide on whether to have a bilateral negotiation with the US. Such a bilateral could take place in the first half of March either in Washington or preferably Paris. He said Paris would be more efficient since it was the French Government that had the most decisions to make. Goldschmidt said that the level was in the US hands but that his government wished it to be below the ministerial level. He suggested Mr. Ingersoll/French Ambassador level or Mr. Vest and the present delegation.

Goldschmidt then briefly commented on the French paper. He said the five items in the French paper correspond to the US five points. Point 1 was exactly what the US had suggested. Point 2 was very close, with a clause to have some flexibility for exceptional reasons. He had no actual case in mind but that it would be a pity to put ourselves unnecessarily in a straightjacket and said he was personally responsible for the clause. Goldschmidt said that if an exceptional case arose, France would consult with its partners and competing suppliers. He gave two examples: an advanced nuclear country not under IAEA safeguards that need some temporary assistance and a country that all suppliers would agree to impose bilateral rather than IAEA safeguards, such as Taiwan. He stressed, however, that the clause was for exceptional cases and France had no intention of returning to its past use of bilateral safeguards rather than IAEA safeguards. He then indicated that point 3 and 5 are most difficult while on point 4, the French were willing to agree to what the US had suggested.

The meeting was then adjourned for 1 hour while the US team discussed the French paper (Tab A).

Vest resumed the meeting. He said that the US delegation had reviewed the French paper, and speaking personally on the substance of the paper, he felt that it was a reasonable and workable basis for future discussion and negotiation. Vest noted that the paper was very responsive to the US proposal in many areas; in others, for example on point 3 and point 5, the French had their own position. He then suggested that he go through the French paper point by point and then return to questions concerning follow-on steps as proposed by the French.

Vest said that on point 1 there was no problem. Goldschmidt commented that it was in fact exactly the US formulation. On point 2, Bartholomew asked for clarification on the wording of the discussion of a list of exports that would trigger IAEA safeguards: "similar to but not more extensive than the Zangger list." Goldschmidt said that a proposed list had not been discussed and explained to their ministers and that at some point they would need to do so; however, they had discussed this with us before. Bartholomew then offered that his understanding was that the French did not want a massive expansion of the Zangger items but that some additions would be acceptable. Goldschmidt said that he personally saw

no problem with adding one or two reasonable items, for example, heavy water plants, but at this point they of course could not commit their government. De Nazelle reiterated that the Zangger list represented an upper limit beyond which they were not prepared to go. Goldschmidt modified this point by noting that the French would not want to see items of different nature included. Goldschmidt pointed out that the US would in any case have to convince others of the reasonableness of any expansion of the Zangger list the US might propose. (Comment: Throughout the discussions, de Nazelle resisted the notion of any flexibility in the French paper for expansion beyond a narrow interpretation of the text. Goldschmidt, on the other hand, seemed more amenable to a more fluid interpretation when pressed on details.)

Bartholomew raised the issue of safeguards on technology. Goldschmidt said this was covered under their point 3. Vest asked the French to explain further what they had in mind under point 2 exceptions, specifically "bilateral safeguards, and warnings." Goldschmidt cited Taiwan as an example. Sales to Taiwan (comment: and resulting relations with the PRC) are complicated by the need to impose Agency safeguards. In such a case, the French might give notice of a potential sale under bilateral rather than IAEA safeguards and attempt to get agreement that all would supply under bilateral safeguards. Sievering asked what would be the nature of such bilateral safeguards. For example would they be as stringent as Agency safeguards? Goldschmidt replied that they would not be less stringent and of course would involve inspectors, but in this case, inspectors from the supplying country. As a second example, he again cited the case of an industrial nation without safeguards who needed temporary assistance because of an internal strike. Such supply could then be made under bilateral safeguards if all other suppliers agree. Boright returned to the issue of expanding the Zangger list noting that we saw both the civil nuclear area and the Zangger list as dynamic things and therefore the US would not want to constrain itself from being able to agree in the future to a reasonable expansion of any list, Zangger or otherwise. Goldschmidt said that he anticipated they would consider the matter in a reasonable and openminded way, for example, if something new in the area of lasers developed where safeguards were called for. He reiterated that they were not shocked by the present Zangger list.

On point 3, Vest noted the French responsiveness to the idea of encouraging multinational participation and the idea of safeguards on technology transfer. Goldschmidt pointed

out that putting safeguards on technol[illegible] was a French idea and he had discussed it with Tape and Rometsch in Vienna at the IAEA. Rometsch had said that he thought it would be difficult to put into practice. Vest noted that there were also differences. Goldschmidt said that their rationale in the first paragraph of point 3 (not to refuse supply of sensitive exports to NNWS who had not accepted IAEA safeguards on their entire fuel cycle) was that France did not want to be accused of acting with nuclear suppliers to gang up on non-NPT parties and even some NPT countries. Boright pointed out that our rationale for wanting IAEA safeguards on the entire fuel cycle were basically technical: it was difficult to safeguard reprocessing facilities and there are problems with taking the approach of safeguarding technology. Having safeguards on all facilities was a cleaner way to realize our objective. De Nazelle accepted this but said that politically it would be seen as attempting to impose an NPT commitment and that France therefore refused to break the link between the actual supply and constraints to achieve non-proliferation objectives.

Boright questioned the French on precisely what they meant by encouraging multinational participation. Do they mean, for example, if a country comes to France for national reprocessing, the French would ask them to look at the possibility of multinational reprocessing? Goldschmidt said that they really hadn't addressed this subject in any detail. He said that they did feel there was a big difference between enrichment and reprocessing. For example, in France's dealings with Australia on enrichment, he did not see the French doing anything without French participation. With reprocessing, however, he said the chances of getting multinational enterprises was very small. He added that if the IAEA were to do a study in this area, France would send its experts to participate. However, he felt that the economics would not persuade a country not to want its own reprocessing since in terms of overall nuclear program costs, this added cost of indigenous reprocessing facilities was small. De Nazelle said that what they had in mind went further than simply encouraging multinational ownership, that they were also proposing special constraints on safeguarding the technology. Goldschmidt added that they were presently negotiating with Pakistan to impose such a commitment with regard to technology for a reprocessing plant in Pakistan. On the other hand, if Argentina for example told French industry that they would like a reprocessing capability, he did not think the French Government would say no. Therefore perhaps they should have said "not discourage" rather than "encourage" with respect to

multinational reprocessing. De Nazelle then said that they were really not prepared to address what precisely they meant by encourage multinational enterprises. Terrell asked that perhaps at a future time the French might elaborate on what they have in mind.

Nosenzo asked if the French envisaged the technology safeguards provision applying to other exports in addition to reprocessing and enrichment such as PWRs, CANDUs, and advanced reactors. De Nazelle said that this provision was seen only within the scope of point 3, on reprocessing and enrichment. Caveating his remarks as his personal view, Goldschmidt said that we should look at this constraint as an industralist would. He noted that zirconium tubes were a trigger item for safeguards on the Zangger list. However, if a country is capable of producing its own zirconium tubing but chooses to purchase them instead, it is not reasonable to require safeguards on the tubing they produce indigenously. Boright asked if this was true if a technology transfer is involved. Goldschmidt said that was different, as a matter of logic; however, it will be difficult to implement. He said that if we immediately try to associate this provision with everything, we won't succeed. The main problem is reprocessing and we should start on this item. Later it can be extended to other items which seem reasonable. He noted that in the case of CANDU reactors, it was reasonable because of the lack of control over enrichment; he also appreciated the problem of attempting to constrain CANDU reactors without similar constraints on PWRs. Goldschmidt added that he saw this effort as a continuous thing and that therefore we should start with reprocessing. But he felt that application of this provision was more generally applicable than to the specific point 3 items.

Vest said that there was general agreement on point 4 and they could therefore go on. Bartholomew asked in passing what the French view was on the idea of an international convention on physical security. Goldschmidt said that they had no objection and that it was particularly desirable with regard to international transportation of special nuclear materials.

On point 5, Vest noted that the French had perhaps misinterpreted our discussion in previous talks since we were not proposing a blacklist of sensitive countries. Goldschmidt countered by questioning whether we had in fact meant to say in our fifth point "countries or regions where such (sensitive) exports would contribute to the particular risk of conflict and instability;" rather, we should have said

"countries or regions where risks of conflict and instability were great." Goldschmidt then added that with points 3 and 5, we were on dangerous ground. The philosophy under the NPT is that NNWS are entitled to everything (short of indigenous nuclear explosives). What does it mean then to openly put constraints on exports to these countries. He said that this was a particularly difficult area for the US as well as France and therefore had to be handled delicately. De Nazelle added that in some countries, irrespective of their NPT status, it was reasonable to ask for stringent conditions on exports but that we must be careful to avoid the political dangers associated with publicly imposing such constraints. De Nazelle added that his government therefore felt that it was not appropriate to give exposure to such delicate issues even within a club of seven. De Nazelle gave the example of Pakistan but then retracted it, saying that it was not a sensitive country. Goldschmidt offered Libya as an example and noted in passing that a Belgonucleaire executive he knows had been to Libya 14 times in the last year. Nosenzo asked if they were therefore contemplating different arrangements on point 5 consultations and point 2 consultations on exceptions. Goldschmidt said that on point 2, the intent was not to allow exceptions without going to other supplier countries. On point 5, the supplier would have the initiative. De Nazelle added that under point 2 exceptions, the supplier is obliged to go to its partners; under point 5, whatever the type of arrangement (mechanism), the supplier would only go to countries of concern and would have no obligation to do so. Goldschmidt added in summary that the French paper proposed that on points 1 and 2, the French would act like members of the NPT; on points 3 and 5, however, the French were proposing new ground.

Following the discussion, Vest then proposed the following for the remainder of the talks: a brief status report on US talks with other participants and, in the afternoon session, discussion of follow-on actions the French had proposed. Vest said, however, that he would not be able to give the French a yes or no answer on the proposed procedures but would raise the question to high levels. Vest then presented a status report on talks with others along the lines of the talking points at Tab B. The French during this discussion questioned who else was aware of the US proposal and asked in particular whether or not India and Italy had been informed. Vest responded that as far as he knew, there had been no conversations with either country on the suppliers meeting. Vest then discussed the situation with the GDR and with the Dutch (see Tab B).

At lunch, Goldschmidt said that the French had three main concerns about attending a suppliers conference:

a) Fear that it would be seen as a move by the nuclear "haves" to gang up on the nuclear "have nots."

b) Fear that France would be isolated at a conference and pressured to adopt policies France couldn't accept or alternatively made to look like the renegade supplier.

c) Fear of getting involved in a COCOM type arrangement.

Vest opened the afternoon session, saying that the US delegation needed to determine and have the French delegation spell out what would be the intent of the interim bilateral negotiation the French were proposing. The US had been advocating a multilateral meeting of suppliers since we saw this as perhaps the last chance before time runs out to arrive at and implement common policies to meet our non-proliferation objectives. He stressed that this needed to be a joint undertaking of all the key suppliers and all needed to express their views to arrive at consensus on common policies acceptable to all. While clearly we could not prenegotiate the outcome of the conference, our objective was harmonization of policies, not confrontation.

Goldschmidt asked if we envisaged that what came out of such a meeting would be the least common denominator. Vest replied that this was the nature of such activities. Boright pointed out that the Zangger committee was such an example. De Nazelle in response to Vest's question, said that a third bilateral was necessary for the French to decide in what form and framework they would be prepared to take the engagement of common policies with the details negotiated elsewhere. Apart from this, the French would like assurances that they will not be isolated at a conference. Goldschmidt added that the purpose of the third bilateral was to help France make up its mind at its highest level. France is undecided as to what framework to enter into agreement on common policies -- bilaterally or multilaterally -- and a final bilateral would help France make up its mind. De Nazelle added that France wanted to discuss the manner and decision process for reaching common policies. Bartholomew attempted to summarize their proposed topics for discussion in a further bilateral:

(1) the framework for French agreement bilateral or multilateral; (2) the form of the undertaking; and (3) assurances that France would not be isolated. Terrell noted that the first topic was really a French decision and that the US couldn't really do much more to help France make up its mind. The second topic was better addressed in a multilateral meeting where all views could be heard. On the final item, we had given the French what assurance we reasonably could and so again there seemed to be little need for another bilateral before a French decision.

De Nazelle commented that for example on point 2, France would like some assurance that there wouldn't be a move to go to more detail. Vest answered that while the US delegation welcomes the French response and feels that it is a reasonable basis for negotiation, we cannot make any commitments that we will alter our views and accept the French position. Terrell asked if the French were saying that the US and France should not have different views at the suppliers meeting. Goldschmidt replied naturally, but they were telling us that if the US were to suggest more than what is in the French paper, it will be difficult to move France. Vest reiterated that our objective in the conference would be to reach consensus through harmonization, not confrontation; if some propose conditions other than what France has proposed, then France will be free to decide whether or not it is in its interest to agree. Vest asked what assurances beyond this were the French seeking.

De Nazelle then summed up his impression of the US reaction which he could report back:

(1) The US believed the pledges France would be willing to take was a reasonable basis for attending the conference; and (2) on the question of whether France should negotiate bilaterally or in a multilateral conference, the US delegation said that the US was seeking in the conference a harmonizing of policies, not pressure on France, but that there were some differences in view and we must retain some flexibility for the conference. De Nazelle added that France was alone relative to the NATO alliance and that France could not count on a great measure of understanding from others. On the other hand, France did not wish to lose its position of independence on foreign policy matters and relationships with LDCs. For these reasons, they are somewhat reluctant to attend a multilateral meeting. De Nazelle then asked with regard to reporting the specific US reaction to the French paper, could he say

that the US appreciated the French position? Could he say that the US agreed with the French position? Vest reiterated that de Nazelle could say that the US felt it was a reasonable basis for negotiations.

The French delegation was questioned again on the need for another bilateral. De Nazelle indicated that it could be to negotiate and determine more clearly when the US and French views were in agreement and where they differed and to discuss the form of agreements. Vest noted that this was possible but of course outside of a meeting with other key participants nothing could be finalized. Goldschmidt then questioned the need for another bilateral noting that France had a decision to make. He said that he would tell his government that (1) the French paper was well received, (2) the US explained how it viewed the conference; and (3) that they (France) needed to tell the US why another meeting was necessary for France to reach a decision. Goldschmidt said that they would get back to the US by cable next week to indicate whether France still felt another meeting was necessary.

Vest adjourned the meeting, noting that the US would operate under the assumption that there would be a third meeting until we heard otherwise from the French. The US could expect a cable from the French Government telling us whether or not a meeting is necessary, what needs to be discussed, when it will be and where it will be.

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The French Government envisions the following understandings in a framework and a form to be determined, for exclusive purpose of avoiding that the bilateral cooperation between supplier countries should weaken safeguards against proliferation.

1. - Nuclear Cooperation would be undertaken with non-nuclear weapon states only under agreements as to peaceful uses, which would explicitly exclude use in any nuclear explosive devices.

2. - The French Government is ready to determine at a later stage, a list of materials and equipments similar but not more extensive than the Zangger list. Supply of materials, equipment of this list to non-nuclear weapon states will automatically call for AIEA safeguards with coverage of produced nuclear material and for a duration corresponding to the lifetime of use of the equipment or the presence of the nuclear material concerned in the country.

However for essentiel reasons it should be possible to transgress the above principle and make use for instance of bilateral safeguards, in warning sufficiently in advance the countries concerned.

3. - The French Government is not ready to refuse to supply with appropriate AIEA safeguards of known grade nuclear or of uranium enrichment or chemical reprocessing equipment or technology to non-nuclear weapon countries who have not received AIEA safeguards on their entire fuel cycle if these countries do not agree to that last condition.

The French Government is on the other hand ready to encourage non-nuclear weapon states to join in cooperations with multinational participation for uranium enrichment or chemical reprocessing.

Furthermore the French Government would like to explain with the United States Government the following: when obtaining an undertaking from countries who will accept the safeguards on sensitive equipments or on a given nuclear installation that they will not reproduce such an equipment or installation at the same scale or at another scale without submitting them also to IAEA safeguards.

4. - The French Government is ready to institute regular exchange of views on the problem of physical protection of nuclear materials and installations (Theft, Seizure, or Sabotage) and is ready to include a clause concerning this problem in future agreements concerning its exports of sensitive supplies.

5. - The French Government is not ready to follow the fifth proposal of the American Government. It cannot accept the establishment of a list of states or regions sensitive or instable nor a catalogue of special measures nor the principle of compulsory exchange of views.

It is however ready to exchange views on the usefulness of considering that a supplier state could take the initiative, in specific cases concerning countries or regions under particular tension, to have conversations with one or a few other states on supplementary stringent conditions that could be taken in a way that these measures should not risk to create distorsions of competition in between those states./.

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Talking Points on Status of US Consultations with Other Suppliants

-- All of the key nuclear suppliers have now been approached regarding the US proposal for a suppliers conference and all have agreed to attend, with the exception of France.

-- A US aide memoire was provided to each government, outlining some illustrative common export policies which might be discussed at such a conference. Initial reactions of the countries we have approached were as follows:

USSR

-- Bilaterals were held in Moscow in October.

-- The Soviets appeared predisposed to use the NPT for achieving the objectives implicit in the US proposals for common policies. However, after discussion they agreed that a more general approach by suppliers would be more likely to place desired constraints on problem countries and would be complimentary to the NPT.

-- The Soviets were particularly concerned about strengthening the safeguards department of the IAEA particularly in light of the rapidly growing demands on their services paralleling the expansion of worldwide civil nuclear programs.

UK and FRG

-- Discussions were held with the FRG in September and with the UK in December.

-- The discussions were general in nature since we had not yet fleshed out in any specific way the exact nature of the common policies we were proposing or possible implementing procedures.

-- There was general agreement, however, that common export policies among the key suppliers in the general areas identified in the US proposal were urgently needed.

Canada

-- Bilateral consultations were held at the working level at Ottawa in November to discuss Canadian views on substantive and procedural aspects of the conference. The Canadians are very anxious for progress on export policy coordination.

-- The Canadians are particularly interested in controlling the export of technology.

-- The Canadians are preparing a model trilateral for possible consideration at the suppliers meeting.

Japan

-- Japan has agreed to attend the suppliers meeting.

-- There have been no US bilaterals to date with the Japanese on the subject, nor have they offered any substantive reactions to the US proposal.

If the French inquire about others who may know of the US proposal, we should say:

1. Soviets have expressed some interest in having the GDR attend. We have stressed that it would be inappropriate to expand beyond the initial seven at this point in time.

2. Both the UK and the FRG expressed the hope that the Netherlands could be invited to the conference, since they are bound by a tripartite agreement on a centrifuge project to coordinate nuclear policies with the Dutch. We have told the British and the Germans that we would have no objection to their keeping the Dutch informed, and we, as well as the FRG and UK have expressed this view to the Dutch.

Current Status

-- We have told other participants that we have had bilaterals with France in January and that we currently are awaiting a French response.

-- Other participants are delaying decisions on sensitive exports until after the suppliers meeting. However, several important transactions are involved.

-- Obviously, participants cannot delay such decisions very long on the promise of an early meeting. Thus, we see a great urgency for a rapid decision by France on the US proposal.

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