MEMORANDUM FOR:

THE SECRETARY OF STATE
THE SECRETARY OF DEFENSE
THE SECRETARY OF ENERGY
DIRECTOR, ARMS CONTROL AND DISARMAMENT AGENCY
CHAIRMAN, JOINT CHIEFS OF STAFF
DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Discussion Paper for Mini-SCC (U)

Attached is a discussion paper for the Mini-SCC meeting on January 9 on the September 22 event in the South Atlantic. (C)

Christine E. Sismon
Staff Secretary
ISSUE 1 - US declaratory policy on September 22 event: What should the US say publicly and privately on the results of analysis of our information? (C)

Situation. We have maintained a position of agnosticism since the October 25 leak of our satellite information. We have exchanged information with a number of governments and have offered to assist the UN Secretary General in his investigation. We have stated publicly that all available data is being analyzed. The media have reported in detail on the Press panel. (C)

The post-September rhetoric of African and other governments generally hostile to the SAC has been relatively mild; the perception that South Africa has the capability to test (which the September 22 event has reinforced) appears to be of greater policy significance to these governments than is the question of whether South Africa has actually tested. The US has for the most part escaped accusation of "whitewashing" on behalf of South Africa. The South Africans have accused us of publicizing baseless accusations, but have not issued an authoritative denial of involvement in the September 22 event. (S)

Options.

A. US public posture in light of Press panel report: (U)

1. Emphasize likelihood that a test occurred, but that there is no basis on which to assign national responsibility. (S)

2. Emphasize likelihood that a test occurred, and that South Africa may have been responsible. (S)

3. Emphasize that one cannot tell whether September 22 event was nuclear or non-nuclear. (S)

B. Distribution of results of Press inquiry: (C)

1. Release only a statement of conclusions drawn from the Press inquiry, but not the report itself. (C)

2. Release as much as possible of the analytical work and any individual views of panel members. (C)
3. Limited public and UN release; more extensive private release to "privileged customers" (UK, France, USSR, others including the Congress). (C).

ISSUE 2 - Relations with South Africa: Should the US continue to press for a nuclear agreement with South Africa? (C)

Situation. South Africa has not accepted our proposal for US supply of nuclear fuel in exchange for South Africa's adherence to the NPT and acceptance of safeguards on its enrichment plant. France, supplier of South Africa's nuclear power reactors, has told the US and South Africa that it will not undercut the US proposal by supplying fuel under lesser conditions than those required by the US. South Africa's latest communication on the subject, an October 12 letter from Brand Fourie (number two in the Department of Foreign Affairs), asked further questions on how we envisage putting our proposed agreement into effect. (S)

Options.

1. Respond to Fourie's letter by indicating we are prepared to enter into a nuclear settlement, on the understanding that their nuclear program is entirely peaceful in nature, and having taken into account our analysis of the September 22 event. (S)

2. Seek assurances from the SAC related to the September 22 event, e.g., that it remains in compliance with its IAEA obligations. It would probably be assumed by the SAC that issuance of such assurances would be necessary before resumption of nuclear cooperation. (S)

3. Inform the SAC that, in light of our conclusions on the September 22 event, the US is not prepared to conclude a nuclear agreement with South Africa, and that we wish to terminate or have reassigned South Africa's existing fuel supply contracts. (S)

ISSUE 3 - Implications for the United Nations: What position should the US now take on nuclear sanctions against South Africa? (C)

Situation. We have taken the position that we cannot support sanctions against South Africa that are based on a conclusion that it has tested a nuclear device. We have
opposed an unconditional cutoff of nuclear commerce with South Africa. We have not rejected a conditional cutoff (no trade pending South Africa's meeting non-proliferation conditions) or voluntary sanctions (approved by the Security Council but not binding on members). The Secretary General has been charged to inquire into the September 22 event, and presumably will report sometime after the US announces that it has completed its own investigation. (S)

The UK, France, the FRG and others are concerned that nuclear sanctions against South Africa could lead to South African counter-sanctions in the form of a cutoff of uranium exports. The French have also told us that they would regard nuclear sanctions against South Africa as directed against themselves, inasmuch as France currently is South Africa's only nuclear supplier (power reactors, now under construction). (S)

Options:

1. Support nuclear sanctions against South Africa, on the basis that it may have tested a nuclear device on September 22. (S)

2. Oppose any sanctions against South Africa that would be based on the September 22 event, but support some form of sanctions in light of South Africa's refusal to meet non-proliferation conditions. (S)

3. Oppose any sanctions against South Africa at this time pending further exploration of prospects for reaching a nuclear settlement with South Africa. (S)