

Authority NND 939520

By Ar NARA Date 3/26/10

GSS SENSITIVE-MISCELLANEOUS (3)
S/S 7420456



DEPARTMENT OF STATE

ACTION MEMORANDUM

S/S

October 17, 1974

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To: The Secretary

From: ACDA - Fred C. Ikle *FCI*
S/P - Winston Lord *WL*
C - Helmut Sonnenfeldt *HS*

Follow-up with French on Nuclear Export Controls

In light of the imminent talks with the Soviets on nuclear export controls, we suggest that you undertake a prompt follow-up on your earlier conversation with Foreign Minister Sauvagnargues, since the French are indispensable parties to any concerted action in this field. Intelligence indications (Tab D, under separate cover) that French firms have recently signed contracts to provide technological assistance in commercial nuclear areas addressed by our action program increase the urgency of a more specific presentation to Paris.

Dixie Lee Ray has received indications from her French counterpart that the French may be receptive at this time to a frank exchange on the subject of export controls. She has cleared with Bob Ingersoll her plans to pursue this with the French atomic energy authority (Tab E). High-level contacts with the AEC on an informal basis indicate, however, that she supports initial political approaches to the French to facilitate a cooperative relationship with French technical experts.

We understand your instinct was to have Ambassador Rush pursue this when he arrives, but that would mean one month's delay, and we do not believe that it should be done at the Charge level in Paris. It is important for you to carry the ball personally on this, to get it directly to Sauvagnargues and give it the needed political impetus. A low-level approach will get bogged down in the French bureaucracy, giving Sauvagnargues no maneuvering room by the time it comes to him for decision. In any event, we believe the approach should be made here in Washington. If you cannot undertake it you may wish to delegate someone in your place, although this would be much less desirable.

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The preferable course would be for you to call in Kosciusko-Morizet personally. There is some urgency on this, however, and if you do not have time to handle it personally, you might prefer to telephone Kosciusko-Morizet and tell him some of your associates will be in touch with him on the subject of nuclear export controls. We could then handle it with the French Ambassador.

Attached at Tab A are talking points prepared for your use with the French Ambassador; at Tab B an aide memoire for you to give him, identical with that being given to the Soviets, on the types of nuclear export and safeguards policies we have in mind; and at Tab C the briefing memorandum we sent you on the French connection last month.

Recommendations:

1. That you meet with the French Ambassador before your departure to Moscow, and that you utilize the materials in Tabs A and B.

Approve _____

Date _____

Time _____

Disapprove _____

2. Alternatively, that you telephone the French Ambassador and that we meet with him before the Moscow trip.

Approve _____

Disapprove _____

Attachments:

- Tab A - Talking Points
- Tab B - Aide Memoire
- Tab C - Briefing Memorandum
- Tab D - Intelligence Annex (separate cover)
- Tab E - Conversations with Chairman Ray

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Drafted: ACDA:CVandDoren:S/P:JHKallicki:C:NTerrell:mn
x27771:10/16/74

Concurrences:

- PM - Mr. Vest
- EUR - Mr. Stabler
- INR - Mr. Hyland
- NSC - Mr. Lodal

SECRET/NODISTalking Points

1. As I indicated to Foreign Minister Sauvagnargues last month, we share with France and other countries an interest in avoiding proliferation of nuclear weapons; in this connection we also share special responsibilities as major nuclear suppliers because appropriate nuclear export and safeguards policies by these states can substantially reduce the potential for proliferation. I was much encouraged by his positive reaction to our strongly-felt concerns.

2. If these policies are to be most effective, they should be coordinated among the supplier states and supported by mutual understandings of how they will be implemented.

3. The United States is prepared to join with other suppliers in coordinated nuclear exports and safeguards policies and to develop these understandings, along the lines of the brief paper I will give you.

4. One possibility for achieving multinational export policy understandings would be to hold a small, private conference of major nuclear suppliers. This conference could include Canada, the FRG, France, Japan, the UK, US and USSR -- the key suppliers at present. We would appreciate hearing the views of France on this possibility.

5. I would appreciate your transmitting directly and confidentially my personal interest in this matter to the Foreign Minister. We would welcome confirmation that France shares our view of the need for coordinated policies and the usefulness of a restricted conference, and is prepared to work with us and others to this end. If he is agreeable, we can pursue procedural and technical questions at official levels in the near future.

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CONFIDENTIALPotential 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 undertakings. All suppliers would of course be free to apply more restrictive policies.

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.
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 multinational enterprises, or only to those non-nuclear weapon states which have made a general commitment to non-proliferation, and which have accepted IAEA safeguards on their entire nuclear fuel cycle.
4. Nuclear supply would include appropriate requirements for the physical protection of materials and facilities against theft, seizure or sabotage.
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 the 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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Authority NND 939520By AK NARA Date 3/26/10DEPARTMENT OF STATE
BRIEFING MEMORANDUM

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To: The Secretary

From: S/P - Winston Lord
ACDA - Fred C. IkleAn Approach to France on
Nuclear Safeguards and Export Policy

As you requested, this paper delineates an approach to the French on coordination of nuclear export and safeguards policies and their reaction to the convening of a small conference of the major nuclear suppliers to work this out. The major step would be during your meeting with Sauvagnargues this month.

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 suppliers act along the same general lines. Thus, French cooperation is indeed critical.

The French Stance

The French will be pulled in different directions on this one. Their record of international cooperation in this area is not brilliant and their Atomic Energy Commission may continue to press the negative line they have in the past. On the other hand, they do have some incentives to participate and the Quai and Elysee may see some broader advantages in doing so at this juncture.

The French have opposed nuclear proliferation, and (when pressed) have said they would require safeguards on exports. They have, however, been reluctant to give any detailed explanation of their safeguards policy and have described it as a "case-by-case" system; and, they have remained aloof from on-going international efforts.

-- Thus, we do not know what safeguards duration and other provisions the French require on exports. This is immediately relevant, since Argentina is resisting adequate safeguards

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duration provisions for an already-signed reactor deal with Canada and could try to play a French alternative.

- Also, we have little indication of French policy with regard to "no-PNE" assurances, or of French intentions on export of re-processing technology. Several key non-nuclear weapon states (Korea, Argentina, Brazil, Pakistan) are interested in acquiring reprocessing capability: this will be a key issue in the next few years.
- France has not joined the Zangger Committee (the nuclear suppliers group discussion of how to implement the NPT obligations to export only under IAEA safeguards).
- In fact, after two years of approaches from the other Euratom members, France has still not given even the modest assurance that safeguards will be required on nuclear material received from them and subsequently re-exported.

In sum, the French will be strongly tempted to stay with their case-by-case policy and to stay out of international efforts: this gives them maximum flexibility and leverage on supply questions; and it accords with the theology of French independence and France as an alternative.

On the other side of the ledger are these considerations:

- The French do not like nuclear proliferation any more than we or others do, and perhaps even less. They have an obvious interest in avoiding depreciation of their special status as a nuclear weapon state through proliferation in Western Europe and beyond, and there is always the spectre of Germany. Thus, they will not want to disrupt non-proliferation efforts and informal soundings with the new French Government indicate that they may, in fact, have been sobered by the Indian event and might well be interested in discussing export control problems.
- France also has a commercial incentive to head off the building of new uranium enrichment plants

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elsewhere.

- Also, for the next five years, the French need continuing supplies of highly enriched uranium (HEU) from the United States since Pierrelatte production goes entirely to French military programs. In connection with the Indian request to France for 400 kg of HEU, the French reportedly told the Indians of their concern to avoid action which might lead us to cut off this supply. They would not be able to supply India unless they could count on getting more than that amount of HEU from us, without diverting HEU from the military production at Pierrelatte.
- Conceivably, the French could see cooperation in this enterprise as useful in their broader relationship with us; and Giscard could see it as a new (but safe) venture in French policy on the international scene (although any such tendencies will be tempered by the likely opposition of the Gaullist Right).

Our Approach

With your concurrence, Dixie Lee Ray has been taking general soundings on the need for nuclear export controls with her counterparts, including the French, in Vienna this week and her speech to the IAEA General Conference lays out several of our concerns and approaches to the problem. Ambassador Irwin personally raised the question of coordinated export controls and safeguards with Sauvagnargues and suggested bilateral discussions at the expert level to pursue it, which Sauvagnargues seemed willing to consider. We understand you intend to mention the special safeguards responsibilities of major nuclear suppliers, and the need for discussions among these suppliers, in your September 23 UNGA speech.*

Thus, the stage is set for pursuing this in your meeting with Sauvagnargues: doing so will give maximum effect to our approach (and possibly give Sauvagnargues

*ACDA recommends not referring to supplier discussions in a speech before the UNGA.

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something of a personal stake in a cooperative French response). Your objective will be to elicit early French agreement in principle to coordinated policies and to ascertain their receptivity to a restricted suppliers conference. We will, of course, want to hold open the possibility of French cooperation in less formal coordinated policies among suppliers, even if they reject the conference (because of its "cartel" aspects or their posture of independence). Your approach to Sauvagnargues should emphasize the common interest in this enterprise, and, of course, avoid any flavor that we have more at stake than others or that we are demandeurs and will owe the French something if they cooperate, or that we are seeking commercial advantage over France. 4

Your talking points (Tab A) are drafted along these lines. We also recommend that you give Sauvagnargues an informal paper (Tab B) outlining possible understandings on safeguards and export policies to facilitate French consideration and rapid response.

Attachments:

- Tab A - Talking Points
- Tab B - Informal Paper

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Authority NND 99520

By AK NARA Date 3/26/10

Drafted: S/P: ^{JK}J. Kahan / ^{JK}R. Bartholomew:mn
x28995 9/18/74
ACDA: ^{JK}J. Boright / ^{JK}C. VanDoren *per JK*

Concurrences:

C - Mr. Sonnenfeldt *per JK*
PM - Mr. Goodby *per JK*
EUR - Mr. Hartman *per JK*

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ATOMIC ENERGY COMMISSION

WASHINGTON, D.C. 20545

Authority NWD 939520

By A NARA Date 3/26/10

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OFFICE OF THE CHAIRMAN

September 25, 1974

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*HS
NT
France*

Honorable Robert S. Ingersoll
Deputy Secretary of State

MEMORANDUM FOR THE RECORD - PRIVATE DISCUSSION WITH
MR. ANDRE GIRAUD, ADMINISTRATOR GENERAL, COMMISSARIAT
A L'ENERGIE ATOMIQUE

Following luncheon for four (Giraud, Goldschmidt, Tape, and Ray) arranged in his suite by Ambassador Tape, during which the conversation ranged rather broadly and generally over such topics as the importance of international safeguards for nuclear materials, problems of proliferation, world markets in nuclear power, and French nuclear policy, Mr. Giraud and I met privately for nearly one hour.

Our conversation was friendly and open. We exchanged points of view on the future of nuclear power for civilian use and the growing danger in the probable increasing numbers of nuclear nations or the possibility of development of a black market in plutonium. As agreed in advance with Robert S. Ingersoll, Deputy Secretary of State, I made no specific offers nor hinted at any kind of agreement for cooperation or exchanges between France and the United States. My message was simple -- that I had tacit approval from President Ford to explore, informally and unofficially, whether French-U.S. discussions on problems of mutual interest in broad aspects of nuclear power might be useful to pursue with the intent of reaching a new and better relationship between our two countries. The answer, I believe, is yes -- Giraud's tone and comments lead me to the conviction that it is possible -- and the time is propitious -- to move on to a new relationship with France in nuclear matters -- PROVIDED:

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1) That the United States acknowledge by action as well as word, that France is indeed an independent nuclear power (worthy perhaps of special relationship to U.S.) to be treated as a substantial nuclear weapons state and dealt with as an equal.

2) That the U.S. refrain from attempts to force or cajole France into accepting NPT or to rejoin NATO.

If the above two issues are recognized and accepted by the U.S. then there is a very good chance that France will agree to candid discussions on such matters as international safeguards, conditions of sales of nuclear power plants to third world nations, etc.

Areas of interest for possible bilateral cooperation include:

1. Civilian

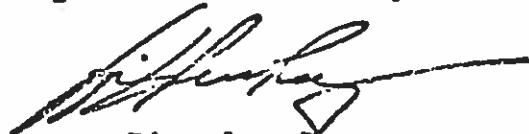
Breeder technology
Safety Research
Waste Management
Regulatory procedures
Physical security

2. Military

Underground testing technology
Weapons protection

Mr. Giraud expressed curiosity about U.S.-U.K. special weapons agreements. Although he did not expressly state that France would be interested in military discussions, he returned to weapons questions so often that I conclude the desire, perhaps even the need, is there.

Although ... Giraud was careful to state that he could not give me any information concerning his government's possible response to initiatives from the U.S. for exploratory talks in the nuclear field, he left no doubt that his personal reaction was (is) affirmative and enthusiastic. He stated that upon his return to Paris he would consult with the French Foreign Minister and report to President Giscard d'Estaing.



Dixy Lee Ray

Authority NND 939520By AP NARA Date 3/26/10SECRET

.. October 11, 1974

MEMORANDUM FOR THE FILE

SUBJECT: Call on Acting Secretary by Dixy Lee Ray
on October 10, 1974.

Dr. Ray called at her request on Mr. Ingersoll in their continuing series of meetings on the subject of uranium enrichment and other issues of interest to both State and AEC.

Dr. Ray said that the bill to create the new Energy Research and Development Administration will be sent to the President by the Senate within the next two days. The AEC will cease to exist 120 days after the President signs the bill into law, or sooner if the President so directs. The regulatory function of the AEC will be embodied in a new commission. The R & D function of AEC will become part of ERDA. All AEC Commissioners will resign and new Commissioners will be appointed.

Contacts with the French. Dr. Ray gave Mr. Ingersoll a copy of a letter to her from Mr. Tape, US representative to the IAEA, dated September 27, 1974. This letter set forth information derived from Tape's conversations with the French. Dr. Ray explained to Mr. Ingersoll that she wishes to proceed in discussions with her French counterpart on safeguards and certain technical matters.

Mr. Ingersoll approved Dr. Ray's continuing contacts with the French but strongly cautioned her against offering anything to the French in the fields of weaponry or commercial technology, since any offers must be strictly reserved for use by the President and/or Secretary Kissinger in possible discussions with a political dimension. Dr. Ray indicated that she fully understood the point and would comply.

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Dr. Ray said that she plans to send an AEC representative to join the staff of Embassy Paris. There had been an AEC man on the staff until the late '60s and she was not clear why the position had been vacated but she now wishes to reinstate it. She asked for the approval of the State Department. Mr. Ingersoll said that he would consider this point and respond later.

Dr. Ray said she hopes that a meeting between French and US AEC representatives could be held within the next three months, perhaps just before Christmas. She believes it would be advantageous for the US to move closer to the French in atomic energy affairs.

Uranium Enrichment. Dr. Ray commented that the NSSM study on uranium enrichment should be ready by October 15. Craig Hosmer is trying to get a copy but since this is an interagency document it is not being given to him. She noted that Mr. Hosmer continues to push the idea of a Federal Enrichment Agency.

Dr. Ray gave Mr. Ingersoll a letter dated September 13 from Richard Garwin which suggests that construction of uranium enrichment facilities should be further delayed because new technology being developed in the next two years will render obsolete the enrichment processes now in use. Dr. Ray supported such a delay.

Dr. Ray said that she has ordered the creation of a department within the AEC on nuclear propulsion which would provide expertise on this subject outside US Navy jurisdiction.


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