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Dept. of State, RPS/IPS, Margaret P. Grafeld, Dir

(X) Release () Excise () Deny () Declassify

Date 6/30/89 Exception

Released in SAS

STATE DEPT. DECLASSIFICATION REVIEW
 Retain Class'n Change to
 Declassify in part and excise as shown
EO 12958, 25X() () ()

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 With concurrence
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Date 6/25/08

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TPP RUOTC RUDKEBQ RUFHOL RUFHBS RUDKGPQ RUFHJA RUEHMO
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TO RUOTC/AMEMBASSY LONDON PRIORITY 0000

RUDKEBQ/AMEMBASSY BERN 0000

RUFHOL/AMEMBASSY BONN 0000

RUFHBS/AMEMBASSY BRUSSELS 0000

RUDKGPQ/AMEMBASSY THE HAGUE 0000

RUFHJA/AMEMBASSY BERLIN 0000

RUEHMO/AMEMBASSY MOSCOW 0000

RUEHOT/AMEMBASSY OTTAWA 0000

RUFNPS/AMEMBASSY PARIS 0000

RUDKRP/AMEMBASSY PRAGUE 0000

RUFHRO/AMEMBASSY ROME 0000

RUDKFMQ/AMEMBASSY STOCKHOLM 0000

RUEHKO/AMEMBASSY TOKYO 0000

RUDKRW/AMEMBASSY WARSAW 0000

RUFHBS/USMISSION EC BRUSSELS 0000

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RUSBQD/AMEMBASSY ISLAMABAD 0000

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RUCMHR/AMEMBASSY TEHRAN 0000

RUFHAU/USMISSION IAEA VIENNA 0000

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C O N F I D E N T I A L STATE 100222

E.O. 11652: GDS

TAGS: PARM, TECH, IAEA

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-COMMITTAL) 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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MENT WITH LATTER POINT, SAYING THAT APPLICATION OF GOV. 1621 STANDARDS TO NPT PARTIES WOULD MODIFY THE RIGHT OF WITHDRAWAL CONTAINED IN THE NPT.

CHAIRMAN ACKNOWLEDGED THAT FULL SCOPE SAFEGUARDS ISSUE COULD NOT BE SETTLED AT THIS MEETING, BUT URGED CAREFUL CONSIDERATION OF THE ISSUE, AND CONSULTATIONS ON THE VARIOUS FORMULATIONS PROPOSED, WITH A VIEW TO ARRIVING AT A DECISION AT NEXT MEETING OF SUPPLIERS.

3. SANCTIONS. US REP PRESENTED 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 UNDERTAKEN NOT TO CONDUCT SUCH AN EXPLOSION AND USED NO SAFEGUARDED 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, U.S., 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 MEETINGS, THE GERMANS (AS WELL AS THE FRENCH, BRITISH, ITALIANS, BELGIANS AND SOVIETS) PRIVATELY CONFIRMED THEIR INTENTION TO OBSERVE A MORATORIUM AT LEAST ON NEW COMMITMENTS TO TRANSFER REPROCESSING PLANTS OR TECHNOLOGY.

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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 CONSENT 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 PARLIAMETARY APPROVAL OF THE GUIDELINES. SEVERAL LESS SIGNIFICANT CANADIAN PROPOSALS, INCLUDED IN THE AIDE MEMOIRE CIRCULATED PRIOR TO THE MEETING, WERE ALSO DISCUSSED 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 EXPRESSING INTEREST IN PARTICIPATING. PARTICULARLY SUPPORTIVE STATEMENT MADE BY KOOJMANS (NETHERLANDS). QUESTIONS WERE PRIMARILY ON HOW PROGRAM WOULD BE ORGANIZED, 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 PRESENTATION 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 AGREEMENT

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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 PRESSED 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-COMMITTAL 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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