

May 23, 1980

MEMORANDUM TO THE SECRETARY

FROM:

Leon Billings

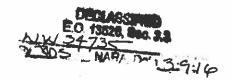
SUBJECT:

Non-proliferation

I want to strongly urge that you not schedule a PRC on the non-proliferation question. I think such a meeting is premature. I do not believe that you have had an adequate briefing on the controversy. I think the Policy Raview Committee is an inappropriate forum for you to become educated.

The Policy REview Committee is a mechanism by which interdepartmental disputes are resolved and recommendations are made to the President. It is assumed that the agency calling a Policy Review Committee (and thereby chairing it), has a position which it wishes to "sell" in order to go forward for Presidential decision. There are mechanisms for discussing options and exploring pros and cons below the Policy REview Committee level. I recommend that you use one of these mechanisms preparatory to making a Departmental decision. Specifically, I suggest that you have convened an interagency group chaired by this department to develop for you an analysis of the pros and cons of changing the President's non-proliferation policy.

An interagency group man meet in this department, the concerns of other agencies, particularly the National Security Council staff and the Council on Environmental Quality, can be reviewed, and a memorandum defining the controversy can be prepared for you, and you can determine whether the State Department should go forward with the recommendation of Ambassador Smith or delays a decision on the issue, or determines not to go ahead wt all.



It is clear from that which I have been able to review that our European allies and those countries which purchase enriched uranium from the United States would like to abandon the policy which prohibits them from using plutonium as a fuel. They view this policy as inhibiting the development of breeder reactors (which is our national policy) and substituting plutonium for enriched uranium in light water reactors. At this point only the Western European countries are permitted to reprocess enriched uranium which comes from the United States. All 30 other countries follow the guidelines of the non-proliferation policy. To lift the lid as proposed in the Smith memorandum not only would abandon the positive results in those countries, but would in effect referse the President's domestic breeder decision. I do not think that that is a wise proposal at this juncture in an election year.

SUMMARY: In sum, I recommend that you not request a PRC at this time. I suggest that you suggest that an intergovernmental, interagency group meet to discuss the pros and cons; that you receive an analysis from that interagency group of the pros and cons, and that after that, if you concur with the Smith proposal, then you request a PRC. I believe this can all be done within a week and the PRC could be held the second week in June. Hell of a good case for such a policy.

S:LBillings:kw





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