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June 18, 1980

RELEASED IN FULL

MEMORANDUM FOR

THE SECRETARY OF STATE

SUBJECT: Post-INFCE Explorations by Gerry Smith

Attached is a copy of Warren Christopher's memorandum to the President and draft telegram on post-INFCE explorations. Note that the President has approved letting Gerry Smith go ahead with explorations now. Note also, however, the President's instruction on the draft telegram:

> "Let's let Gerry do this exploration of the idea on his own and report back to me. I may not wish to go forward with it. I'll discuss some in Venice."

(The President has also eliminated the info addressees from the draft telegram.)

Zbigniew Brzezinski

Box #4; File: Smith: Post INFCE Consultations

#9905

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DEPARTMENT OF STATE

EXECUTIVE SECRETARIAT

Attachment Classification

TO: 065

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Executive Secretary

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Attachment Classification

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DEPARTMENT OF STATE
WASHINGTON

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MEMORANDUM FOR: THE PRESIDENT

FROM: Warren Christopher, Acting W.C.

SUBJECT: Post-INFCE Explorations

At the Friday foreign policy breakfast, I promised to send you an analysis of advantages and risks to Gerry Smith's proceeding with post-INFCE explorations now, as opposed to after Tarapur is resolved by the Congress.

Reasons for Not Going Ahead Now

-- Movement on this approach now could create public perceptions that "the Carter Administration is proposing to weaken its non-proliferation policy" or "the Carter Administration is changing signals on breeder reactor programs."

-- The Tarapur decision complicates our moving forward now with post-INFCE in two ways. First, both decisions will be characterized by some as U.S. non-proliferation retreats--Tarapur as a fall off of our commitment to full-scope safeguards, and post-INFCE as a retreat from our opposition to premature reprocessing and plutonium use. Second, it could be argued that our Tarapur decision is inconsistent with our post-INFCE explorations. That is, the Tarapur decision is based on the rationale of preserving controls over U.S.-origin material to prevent its reprocessing in India, whereas our post-INFCE explorations are designed to relax such controls where we have them in Europe and Japan outside of EURATOM.

-- The approach could be characterized as helping European and Japanese nuclear programs (in particular breeder, advanced reactor and reprocessing programs) that might otherwise fail. And, our approach may not in fact achieve greater allied cooperation in improving the non-proliferation regime.

-- The precedent of this approach could undercut our effort to prevent the spread of sensitive technology and material to countries outside Europe and Japan, or result in charges of discrimination by countries which we assert do not meet the necessary criteria.

Reasons for Going Ahead Now

-- Other countries expect us to take INFCE results into account, and key Allies have already approached us on harmonizing policies. If we do not move soon, the Australians (who are actively negotiating with EURATOM and Japan) could make agreements which would undercut our ability to limit reprocessing and plutonium use. We also need greater fuel supply assurances to meet anticipated criticism at the NPT Review Conference.

-- Our supply leverage is diminishing and our reliability is in question. Failure to commence explorations now would risk our Allies' going their own way in their nuclear programs and making the issue an even greater irritant in our relations. We could also lose their cooperation in improving the non-proliferation regime, in particular deterring commercial thermal recycle.

-- Going ahead with Tarapur and the post-INFCE explorations is entirely consistent. Both actions are designed to support the non-proliferation regime--in the case of Tarapur, to preserve safeguards and controls over U.S.-origin material in India; in the case of post-INFCE, to obtain limits and controls on U.S.-origin material in EURATOM (which we currently do not have) and greater non-proliferation cooperation generally including full-scope safeguards as a condition of future supply. Both decisions also serve broader foreign policy objectives.

-- Post-INFCE explorations will be less sensitive politically than Tarapur, especially since they will be low-key, non-committal and confidential and would be only with Allies who are either NPT parties with full-scope safeguards or, in the case of France, a nuclear weapons state. USG consideration of post-INFCE options has already had some press play (particularly in the trade press). We have had extensive consultations with those most concerned in Congress, and no one has objected to further explorations.

Options

_____ Let Gerry Smith go ahead with explorations now.

_____ Postpone Gerry Smith's explorations until after Congress acts on Tarapur.

(A copy of proposed instructions for Gerry Smith is attached for your convenience.)

D R A F T  T E L E G R A M

(N67C)



SECRET

ACTION: VIENNA

INFO : LONDON, PARIS, BONN, TOKYO

USIAEA FOR AMBASSADOR SMITH FROM SECRETARY

NODIS



SUBJECT: POST-INFCE EXPLORATIONS

1. SECRET (ENTIRE TEXT)

2. The President authorizes you on an absolutely non-committal basis (and in a low key and confidential manner) to explore with the major European governments and Japan arrangements by which they would agree to cooperate in strengthening the non-proliferation regime and limit the reprocessing of spent fuel and use of plutonium. Your purpose is to clarify what we might expect from our allies in return for greater predictability in the exercise of consent rights over the use of US-origin spent fuel. Based on these explorations, we would be better able to develop positions for the statutorily mandated renegotiation of our agreements with EURATOM, Japan, and certain other countries.

3. In your explorations, you should be guided by the following elements:

A. <u>What we would seek</u>:

- Deferral by the involved countries of commitments to commercial thermal recycle for a specified period.

- Limiting new reprocessing capacity to that required for breeder and advanced reactors and restraint in the separation of plutonium to avoid unnecessary stockpiling and pressures for thermal recycle.
- Support for development of an effective IPS and avoidance of excess national stockpiles of plutonium.
- Agreement by EURATOM and Japan to US consent rights called for in the NNPA.
- Continuing limits over US-origin material after use in breeder and advanced reactor RD&D programs.
- Increased commitments to spent fuel storage as our alternative to reprocessing.
- Improved cooperation in dealing with countries of proliferation concern, including concrete steps to strengthen restraints on exports of sensitive technology and material to such countries.
- Commitments to condition significant new nuclear supply commitments on NPT-type safeguards on future, as well as existing, facilities.
- Cooperation to make reprocessing associated with breeder reactors more proliferation resistant.
- Cooperation on improving the "once-through" cycle.
- Dedication of future enrichment capacity to produce low-enriched uranium only.
- Greater commitments of financial and technical resources and political support for development and implementation of improved IAEA safeguards.

[redacted] at we would consider offering:

- The United States would adopt predictable ground rules for the exercise of US consent rights and control over reprocessing and use of plutonium in certain RD&D programs for breeder and advanced thermal reactors. Specifically, you may explore advance agreement to reprocessing of US-origin material in mutually agreed facilities for use of the resulting separated plutonium in certain agreed breeder and advanced reactor RD&D programs in advanced NPT or equivalent countries that meet certain criteria.
- You may indicate willingness to consider generic agreement to reprocessing in the United Kingdom and France for other countries that have good non-proliferation credentials, or no spent fuel storage alternatives, or where it is in our non-proliferation interest to remove spent fuel.
- You should also indicate the US is reviewing in the context of preparations for the NPT Review Conference, licensing of export of low-enriched fuel for a longer term than now, as well as backup assurances and increased technical assistance, to NPT parties with good non-proliferation credentials.

4. You should make clear that in return for flexibility on reprocessing and plutonium use we would expect agreement to improvements in the present non-proliferation regime, particularly a more helpful active role in dealing with problem countries. You should stress that no final policy decisions have as yet been made.


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