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DEPARTMENT OF STATE
WASHINGTON

August 8, 1977

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MEMORANDUM FOR: THE PRESIDENT

FROM: Warren Christopher, Acting *WC*.

South African Nuclear Development. Earlier today Tass published the allegation (foreshadowed in Breshnev's message to you and to the French, British, and the Germans) that South Africa is developing a nuclear weapon.

We have no evidence that South Africa has built, is building, or plans to build a nuclear weapons test site in the Kalahari, as the Soviets alleged, or elsewhere. Furthermore, while the South Africans may be conducting nuclear weapons-related research, we have no evidence that they have decided to move from research and development to actual production or have reached the stage in a weapons development program that they would be ready to test an explosive device. According to a December, 1976 report, South Africa is conducting "criticality" experiments in a facility adjacent to South Africa's pilot enrichment plant at Valindaba (near Pretoria); such experiments could be weapons related. The Valindaba plant could produce enough highly enriched uranium to sustain a small nuclear weapons program.

Illicit Payments. The U.S. initiative for an international agreement to prohibit bribery of foreign officials, which you advanced at the London Summit, has moved a step forward in the U.N. The Economic and Social Council authorized drafting of an agreement

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for consideration by the Council next year, and recommended that the General Assembly convene a conference to conclude an agreement when "deemed appropriate." We will continue to push this initiative and try to take the lead in the drafting.

Our delegation attempted to fix a date for the conference, but the Group of 77 developing countries resisted. They want to link the bribery agreement to progress in formulating the U.N. code of conduct for transnational corporations. Several major developed countries also have reservations about our proposal to criminalize foreign bribery.

Iran. An Iranian delegation is in Washington to discuss energy policy. The Iranians say they remain interested in a program of nuclear cooperation under which we would supply a large number of nuclear power plants. We will be continuing our talks on the terms of the required bilateral agreement for nuclear cooperation, which might be concluded soon after the pending nuclear non-proliferation legislation has been acted upon.

ILO. Last Thursday Ambassador Vanden Heuvel met with the Geneva representatives of Mexico, Indonesia, India, Argentina, Egypt and Bangladesh at their initiative, to discuss the ILO. All expressed support for the principle of due process (no condemnation without investigation), one of our major objectives over the last two years. They felt that it was still possible to make progress on the due process issue, provided there was also movement on their long-standing request for structural changes in the organization. They urged we remain in the ILO to give everyone more time.

In Congress, Senator Humphrey and Congressman Fraser are circulating letters urging that the U.S. remain in the Organization. Javits, who had earlier told Cy that we must withdraw, has signed the Humphrey letter. We have also heard that Frank Thompson, considered the most know knowledgeable member of Congress on the ILO, will shortly circulate a letter opposing immediate withdrawal.

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French Reprocessing Plant for Pakistan. French Foreign Minister de Guiringaud told Ambassador Hartman in confidence today that the French Government has decided on a new approach to Pakistan which they believe will buy substantial time and put the Pakistanis in a position in which they will have to accept a plant incapable of producing plutonium. In early September the French plan to tell the Pakistan Foreign Secretary that they propose negotiations for the purpose of revising the plans for the plant so that it will furnish a product which can be used directly only as reactor fuel. Whatever the Pakistanis might really feel about such a proposal, the French believe they would have to temper their protests since to do otherwise would, in effect, be an admission that they want the plant in order to obtain plutonium. We are evaluating this new French strategy, which on its face seems promising.

SWAPO. During the first day of talks between SWAPO and the Western Contact Group, SWAPO presented its opening positions on an agreed settlement. Sam Numoja said at the outset that South African troop withdrawal should begin immediately, and be completed in three months. However, in the course of the day, SWAPO agreed that a cease-fire should precede withdrawal, a point the South Africans have said is crucial to any further progress. SWAPO also agreed that the withdrawal could be phased, but insisted that it must be completed by election day, rather than the date of independence. While these and other difficult points remain for discussion, this first day went reasonably well, with SWAPO showing some flexibility.

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