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[10/21/1976]

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MEMORANDUM

NATIONAL SECURITY COUNCIL

October 19, 1976

MEMORANDUM FOR: JIM CANNON  
 BRENT SCOWCROFT  
 JIM CONNOR  
 JIM MITCHELL  
 GLENN SCHLEEDE

FROM: DAVID ELLIOTT *D.E.*

SUBJECT: Latest Version of a Presidential  
 Nuclear Statement

Following up on the directions of yesterday, State has produced a revised draft statement on nuclear policy. It is intended to take into account the three themes discussed yesterday, viz:

- more emphasis to our commitment to support the nuclear power program in other nations,
- more stress to the international rationale for the U.S. demonstration reprocessing plant (possible foreign participation, advanced consultations, safeguards test bid, and availability of reprocessing services when required),
- the need for supplier cooperation because our market position does not permit us to dictate solutions.

State did feel, however, that we ought to pitch this primarily as the President's response to his concern over the potential for proliferation, and not as an upbeat view of the promise of nuclear power once the proliferation problem is dealt with. Apparently after a brief scan of this draft, Kissinger "liked" its approach.



*101918*

October 21, 1976

NUCLEAR POLICY

A STATEMENT BY PRESIDENT GERALD R. FORD

We have known since the age of nuclear energy began more than 30 years ago that this source of energy had the potential for tremendous benefits for mankind and the potential for destruction.

On the one hand, there is no doubt that nuclear energy represents one of the best hopes for satisfying the rising world demand for energy with minimum environmental impact and with the potential for reducing dependence on uncertain and diminishing world supplies of oil.

On the other hand, nuclear fuel, as it produces power also produces plutonium, which can be chemically separated from the spent fuel. The plutonium can be recycled and used to generate additional nuclear power without the need for additional energy resources. Unfortunately -- and this is the root of the problem -- the same plutonium, when chemically separated, is also a key ingredient of nuclear explosives.

The world community cannot afford to let potential nuclear weapons material or the technology to produce it proliferate uncontrolled over the globe. The world community must ensure that when such material is produced and utilized by any nation it is done so under the most stringent security conditions and arrangements.

Developing the means to prevent proliferation while preserving the enormous benefits of nuclear energy is one of the major challenges facing all nations of the world today.

This is a problem of extraordinary complexity and severity and the policies and programs we need to solve this problem cannot be judged by standards applied to most domestic and international activities. Our answers cannot be partially successful. They will either work, in which case we shall stop proliferation, or they will fail and nuclear proliferation will accelerate as nations initially having no intention of acquiring nuclear weapons conclude that they are forced to do so by the actions of others. Should this happen, we would face a world in which the security of all is imperiled. Maintaining international stability in such an environment would be incalculably difficult and dangerous. In times of regional or global crisis, risks of nuclear devastation would be immeasurably increased -- if not through direct attack, then through a process of ever expanding escalation.

The problem can be handled as long as we understand it clearly and act wisely in concert with other nations. But we are faced with a threat of tragedy if we fail to comprehend it or fail to take effective measures.

Thus, the seriousness and the complexity of the problem places a special burden on those who propose ways to control proliferation. They must avoid the temptation for rhetorical gestures, empty threats or righteous posturing. They must offer policies and programs which deal with the world as it is, not as we might wish it. The goal is to prevent proliferation, not simply to deplore it.

The first task in dealing with the problem of proliferation is to understand the world nuclear situation.

More than 30 nations have or plan to build nuclear power plants to reap the benefits of nuclear energy. The 1973 energy crisis dramatically demonstrated to all nations not only the dangers of excessive reliance on oil imports, but also the reality that the world's supply of fossil fuels inevitably is dwindling. As a result, nuclear energy is now properly seen by many nations as an indispensable way to satisfy rising energy demand without prematurely depleting finite fossil fuel resources. We must understand the motives which are leading these states to place even greater emphasis than we do on nuclear power development. For unless we comprehend their real needs we cannot expect to find ways of working with them to ensure that their legitimate concerns and ours are both met.

However, several nations also have all the technology needed to produce both the benefits and the destructive potential of nuclear energy, and they have the capability to supply such technology and facilities to other nations.

Thus no single nation, not even the United States, can hope by itself to control effectively the spread of reprocessing technology and the resultant availability of plutonium. The United States once was the predominant supplier of worldwide nuclear material equipment and technology. While

we remain a leader in this field, today other suppliers have come to share the international market -- with the U.S. now supplying less than half of nuclear reactor exports.

In short, the U.S. no longer has a monopoly on nuclear technology. Although our role is large, we are not able to control worldwide nuclear development.

Action to control proliferation must be an international cooperative effort involving many nations, including both nuclear suppliers and customers. Common standards must be developed and accepted by all parties. If this is not done, unrestrained trade in sensitive nuclear technology and materials will develop -- with no one in a position to stop it.

We must recognize that interests in nuclear energy vary widely among nations. We must recognize that some look to nuclear energy because they have no acceptable energy alternative. We must be sure that our efforts to control proliferation are not viewed by such nations as an act to prevent them from enjoying the benefits of nuclear energy. We must be sure that all nations recognize that the U.S. believes that non-proliferation objectives must take precedence over economic and energy benefits if a choice must be made.

PREVIOUS ACTION

During the past 30 years, the U.S. has been the unquestioned leader in worldwide efforts to assure that the benefits of nuclear energy are made available widely while its destructive uses are prevented. I have given special attention to these objectives during the past two years, and we have made important new progress, particularly in efforts to control the proliferation of nuclear weapons capability among the nations of the world.

In 1974, soon after I assumed office, I proposed strengthening and standardizing non-proliferation measures at the United Nations General Assembly. In the fall of that year, I became concerned that some nuclear supplier countries, in order to achieve competitive advantage, were prepared to offer nuclear exports under conditions less rigorous than we believed prudent. I expressed this concern directly to my counterparts in key supplier and recipient nations. I directed the Secretary of State to emphasize multilateral action to limit this dangerous form of competition.

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At our initiative, the first meeting of major nuclear suppliers was convened in London in April 1975. And a series of meetings and intensive bilateral consultations followed.

As a result of these meetings, we have significantly raised international standards through progressive new guidelines to govern nuclear exports. These involve both improved safeguards and controls to prevent diversion, and physical protection against theft and sabotage. The United States has adopted these guidelines as policy for nuclear exports.

In addition, we have acted to deal with the special dangers associated with plutonium.

- We have prohibited export of reprocessing and other nuclear technologies that could contribute to proliferation.
- We have firmly opposed reprocessing in Korea and Taiwan. We welcome the decisions of those nations to forego such activities; we will continue to discourage national reprocessing in other locations of particular concern.
- We negotiated agreements for cooperation with Egypt and Israel which contain the strictest reprocessing provisions and other nuclear controls ever included in the twenty-year history of our nuclear cooperation program.

- In addition, the United States recently offered to place its civil nuclear facilities under the safeguards of the International Atomic Energy Agency -- and the IAEA has approved a proposed agreement for this purpose.

#### NEW INITIATIVES

Last summer, I directed that a thorough review be undertaken of all our nuclear policies and options to determine what further steps were needed. I have considered carefully the results of that review, held discussions with Congressional leaders, and benefited from consultations with leaders of other nations. On the basis of those activities, I am today announcing an important new U.S. policy that will:

- strengthen commitment of the nations of the world to the goal of non-proliferation and build an effective system of international controls to prevent proliferation.
- change and strengthen U.S. domestic nuclear policies and programs to contribute to our non-proliferation goals.
- by these actions, establish a sound foundation for the continued and increased use of nuclear energy in the U.S. and in the world in a safe and economic manner.

The task we face calls for an international cooperative venture of unprecedented dimensions. The U.S. is prepared to work with all others.

#### PRINCIPAL POLICY DECISIONS

In forging my new nuclear policy initiatives, I have proceeded in the conviction that avoidance of proliferation must take precedence over economic interests.

As a result of my nuclear policy review, I have concluded that the reprocessing and recycling of plutonium ought not proceed until there is confidence that the world community can effectively overcome the associated risks of proliferation. The review also confirmed the major role that nuclear power must play in meeting both domestic and foreign energy needs, regardless of whether plutonium is eventually found to be acceptable as fuel. To reach this fundamental judgment requires vigorous action on both the international and domestic fronts.

-- Internationally, I have decided that the United States will undertake diplomatic initiatives, in conjunction with nuclear suppliers and consumers, to control the spread of plutonium and technologies for separating plutonium. I am, therefore, directing the Secretary of State to seek the support of other

nations for strengthened non-proliferation approaches including the coordination of restraints and assuring reliable fuel supplies in ways which prevent these from becoming elements of commercial competition.

This effort requires the cooperation and support of suppliers and consumers alike. Indeed peaceful uses of nuclear energy can only prosper within a credible international system which reduces nuclear risks for all nations and enables legitimate energy needs to be met. In pursuing global approaches to non-proliferation, the United States recognizes the responsibility to cooperate with other states in realizing the peaceful benefits of nuclear energy. And we will do so with nations prepared to dedicate themselves to non-proliferation.

-- Domestically, we must ensure that our programs and policies are compatible with our international position on reprocessing. I have therefore determined that the United States should no longer regard reprocessing of used nuclear fuel to produce plutonium as a necessary additional step in the nuclear fuel cycle, and that it should be pursued only if the economic, and above all, nonproliferation uncertainties are resolved. I am directing the Administrator of the Energy Research and Development Administration to develop programs to conform with this policy.

To implement these overall policy positions, I have decided on a number of policy decisions that are necessary and appropriate to meet our non-proliferation and energy objectives.

- First, I have concluded that Government policies must be changed to conform to my decision on deferral of commercial scale chemical reprocessing of nuclear fuel which results in the separation of plutonium.
- Second, I call upon all nations to join with us in exercising maximum restraint in the transfer of reprocessing and enrichment technology and facilities by avoiding or deferring such sensitive exports for a period of at least three years.
- Third, I have concluded that new cooperative steps are needed to help assure that all nations have an adequate and reliable supply of energy for their needs. I believe, most importantly, that nuclear supplier nations have a special obligation to assure that customer nations have an adequate supply of fuel for their nuclear power plants, if those customer nations forego the acquisition of reprocessing and uranium enrichment capabilities and accept effective proliferation controls.
- Fourth, I have concluded that the U.S. must maintain its role as a major and reliable world supplier of nuclear reactors and fuel for peaceful purposes. Our strong position as a competitive supplier has provided the principal basis for our influence and leadership in worldwide non-proliferation efforts.

A strong position will be equally important in the future. While reaffirming this nation's intent to be a reliable supplier, the U.S. seeks no competitive advantage by virtue of the worldwide system of effective non-proliferation controls that I am calling for today.

-- Fifth, I have concluded that new efforts must be made to urge all nations to join in a full-scale international cooperative effort -- which I shall outline in detail -- to develop a system of effective controls to prevent proliferation.

-- Sixth, I have concluded that the U.S. will take new steps with respect to its own exports to control proliferation, while seeking to improve multilateral guidelines.

-- Seventh, I have concluded that the U.S. should continue to increase its use of nuclear energy in the years ahead. Even with strong efforts to conserve, we will have increasing demands for energy for a growing economy. To satisfy these needs, we must rely on increased use of both nuclear energy and coal until more acceptable alternatives are developed. We will push ahead with work on all promising alternatives technologies but it is clear that we cannot expect a major contribution to our energy supply from any of these alternatives until late in this century.

-- Eighth, I have decided that the U.S. will sponsor a program to evaluate reprocessing in support of the international policies I have adopted.



- Finally, I have concluded that new steps are needed to assure that we have in place when needed, both in the U.S. and around the world, the facilities for the long-term storage or disposal of nuclear wastes.

#### ACTIONS TO IMPLEMENT OUR NUCLEAR POLICIES

In order to implement the nuclear policies that I have outlined, a major effort will be required within the United States and by the many nations around the world with an interest in nuclear energy. To move forward with that effort I am today announcing a number of actions that I am taking and a number of proposals that I am making to other nations.

##### I. Change in U.S. Policy on Nuclear Fuel Reprocessing

First, with respect to nuclear fuel reprocessing, I am directing agencies of the Executive Branch to implement my decision to delay commercial-scale reprocessing activities in the U.S. until significant economic uncertainties are resolved:

Specifically:

- I am directing the Administrator of the Energy Research and Development Administration (ERDA) to:
  - ° change his agency's policies and programs which, heretofore have been based on the assumption that reprocessing would proceed

- ° encourage industry to proceed immediately with the expansion of spent fuel storage facilities, thus assuring utilities that they need not be concerned about shut down of nuclear reactors because of delays.
- ° identify the research and development efforts needed to investigate alternatives to reprocessing to include means of recovering the energy value from used nuclear fuel without separating out plutonium.

## II. RESTRAINT IN THE TRANSFER OF SENSITIVE NUCLEAR TECHNOLOGY AND FACILITIES

Despite the gains that have been made, the dangers posed by reprocessing and the prospect of uncontrolled plutonium demand further, decisive international action. There is, in addition, the parallel risk of spreading uranium enrichment technology which must continue to be effectively controlled, and is included in the concepts proposed throughout this statement.

To meet these dangers I propose the following comprehensive international program which flows directly from the fundamental policy decisions I have announced today:

-- I call upon all nations to join with us in exercising maximum restraint in the transfer of reprocessing and enrichment technology and facilities by avoiding or deferring such sensitive exports for a period of at least three years.

This will allow suppliers and consumers to work together to establish reliable means for meeting nuclear needs with minimum risk, as we assess carefully the wisdom of plutonium use. As we proceed in these efforts, we must not be influenced by pressures to approve the export of these sensitive facilities.

### III. ASSURING AN ADEQUATE ENERGY SUPPLY FOR CUSTOMER NATIONS

-- I urge nuclear suppliers to provide nuclear consumers with nuclear fuel services, in place of sensitive nuclear technology.

Nations accepting effective nonproliferation restraints have a right to expect reliable and economic supply of nuclear reactors and associated, nonsensitive fuel.

All such nations would share in the benefits of an assured supply of nuclear fuel, even though the number and location of sensitive facilities to generate this fuel is limited to meet nonproliferation goals. The availability of diverse fuel cycle services is several different nations can provide ample assurance to consumers of a continuing and stable source of supply.

It is also desirable to continue studying the idea of a few suitably-sited multinational fuel cycle centers to serve regional needs, when effectively safeguarded and economically warranted. Through these and related means, we can minimize incentives for the spread of dangerous fuel cycle capabilities.

-- The United States stands ready to take action, in cooperation with other concerned nations, to assure reliable supplies of nuclear fuel at equitable prices to any country accepting responsible restraints on its nuclear power program with regard to reprocessing, plutonium disposition, and enrichment technology.

At my direction, the Secretary of State will initiate consultations to explore arrangements for coordinating fuel service supply resources and for developing other means of ensuring that suppliers will be able to offer, and consumers will be able to receive, an uninterrupted and economical supply of low-enriched uranium fuel and fuel services. These discussions will address ways to ensure against economic disadvantage to cooperating nations and to remove any sources of competition which could undermine our common nonproliferation efforts.

To contribute to this initiative, with regard to current U.S. recipients, and in new agreements for cooperation, the U.S. will offer binding letters of intent for the supply of nuclear fuel to countries willing to accept such responsible restraints.

-- In addition, the United States is prepared to enter into negotiations or arrangements for mutual agreement on disposition of spent fuel with consumer nations that adopt responsible restraints.

Where appropriate and where it can demonstrably foster our common and cooperative nonproliferation objectives, in return for mutually agreed on disposition of spent fuel, the United States will provide consumer nations with either fresh, low-enriched uranium fuel of equivalent energy value or reimbursement. The United States seeks no commercial advantage in pursuing options for fuel disposition and assured fuel supplies.

-- Finally, the U.S. will continue to expand cooperative efforts with other countries in developing their indigenous energy resources.

The U.S., in its world leadership role, has proposed the establishment of an International Energy Institute, specifically designed to help developing countries match the most economic and readily available sources of energy to their power needs. In many cases, this source will be nonnuclear. Through this Institute and other appropriate means, we will offer technological assistance in the development of indigenous energy resources.

#### IV Strengthening the U.S. Role as a Reliable Supplier.

If the U. S. is to continue its leadership role in worldwide non-proliferation efforts, it must be a reliable and competitive supplier of nuclear reactors and fuel for peaceful purposes. There are two principal actions we can take to contribute to this objective:

-- I will submit to the new Congress, proposed legislation that will permit the expansion of capacity in the United States to produce enriched uranium, including the authority needed for expansion of the Government-owned plant at Portsmouth, Ohio and authority to enter into cooperate agreements with private firms that are prepared to finance, build, own and operate enrichment plants.

U.S. capacity has been fully committed since mid-1974 with the result that no new orders could be signed. The Congress did not act on my full proposal and provided only limited and temporary authority for proceeding with the Portsmouth plant. We must have additional authority to proceed with the expansion of capacity without further delay.

-- I will work closely with the Congress to assure that the legislation referred to above for improving our export controls results in a system that provides maximum assurance that the U.S. will be a reliable supplier to other nations for the full period of agreements.

One of the principal concerns of opponents of export legislation was the fear that foreign customers could be subjected to arbitrary new controls imposed well after a long-term agreement for nuclear power plants and fuel had been signed. In the case of nuclear plants and fuel, reliable long-term agreements are essential and we must adopt export

controls that provide reliability while meeting non-proliferation objectives.

V. International Controls Against Proliferation

To reinforce the foregoing policies, we must develop means to establish international restraints over the accumulation of plutonium itself, whether in separated form or in unprocessed spent fuel. The accumulation of plutonium under national control is a major destabilizing influence and, as such, a primary proliferation risk.

-- The United States will, in the immediate future, pursue discussions aimed at the establishment of a new international regime to provide for storage of excess civil plutonium and spent reactor fuel.

I am directing that we vigorously pursue this proposal which we made to the International Atomic Energy Agency and other interested nations last spring.

Creation of such a regime will greatly strengthen world confidence that the growing accumulation of excess plutonium and spent fuel can be stored safely, pending reentry into the nuclear fuel cycle or other safe disposition. I urge the IAEA, which is empowered to establish such a depository, to give prompt implementation to this concept.

Once a broadly representative IAEA storage regime is in operation, we are prepared to place our own excess civil plutonium and spent fuel under its control. Moreover, we are prepared to consider providing a site for international storage under IAEA auspices.

The inspection system of the IAEA remains a key element in our entire nonproliferation strategy. The world community must make sure that the Agency has the technical and human resources needed to keep pace with its expanding responsibilities. At my direction, we have recently committed substantial additional resources to help upgrade the IAEA's technical safeguards capabilities, and I believe we must strengthen further the safeguards functions of the IAEA.

-- I am directing that a major international effort be undertaken to ensure that adequate resources for this purpose are made available, and that we mobilize our best scientific talent to support that Agency. Two of our principal national laboratories have been directed to provide assistance, on a continuing basis, to the IAEA Secretariat.

The terrible increase in violence and terrorism throughout the world has sharpened our awareness of the need to assure rigorous protection for sensitive nuclear materials and equipment. Fortunately, the need to cope with this problem is now broadly recognized. Many nations have responded to the initiatives

which I have taken in this area by materially strengthening their physical security and by cooperating in the development of international guidelines by the IAEA. As a result of consultations among the major suppliers, provision for adequate physical security is becoming a normal condition of supply.

Steps are still urgently needed, however, to upgrade <sup>existing</sup> physical security systems to <sup>meet high U.S. standards,</sup> ~~meet international norms,~~ and to assure timely international collaboration in the recovery of lost or stolen materials.

-- I have directed that the United States vigorously address the problem of physical security at both bilateral and multilateral levels, including exploration of a possible international convention.

The United States is prepared to embark with all its resources on development of the system of international controls that I have here outlined. Even when complete, however, no system of controls is likely to be effective, if a potential violator judges that his acquisition of a nuclear explosive will be received with indifference by the international community.



Any material violation of a nuclear safeguards agreement -- especially the diversion of nuclear material for use in making explosives -- must be universally judged to be an extremely serious affront to the world community, calling for the immediate imposition of drastic sanctions.

-- I serve notice today that the United States will respond to violation by any nation of any safeguards agreement to which we are a party with, at a minimum, immediate cut off of our supply of nuclear fuel and cooperation to that nation.

We would consider further steps, not necessarily confined to the area of nuclear cooperation, against the violator nation. Nor will our actions be limited to violations of agreements in which we are directly involved. In the event of material violation of any safeguards agreement, particularly agreements with the IAEA, we will initiate immediate consultations with all interested nations.

Universal recognition of the total unacceptability of the abrogation or violation of any nonproliferation agreements is one of the most important steps which can be taken to prevent further proliferation. We invite all concerned governments to affirm publicly that they will regard nuclear wrongdoing as an intolerable violation of acceptable norms of international behavior, which would set in motion strong and immediate countermeasures.

VI CHANGES IN U.S. NUCLEAR EXPORT POLICIES

During the past two years, the United States has strengthened its own national nuclear export policies. Our interests, however, are not limited to controls alone. The United States has a special responsibility to share the benefits of peaceful nuclear energy with other countries. We have sought to serve other nations as a reliable supplier of nuclear fuel and equipment. Given the choice between economic benefits and progress toward our nonproliferation goals, we have given, and will continue to give, priority to nonproliferation. But there should be no incompatibility between nonproliferation and assistign other nations in enjoying the benefits of peaceful nuclear power, if all supplier countries pursue common nuclear export policies. There is need, however, for even more rigorous controls than those now commonly accepted, and for policies that favor nations accepting responsible nonproliferation limitations.

-- I have decided that we will henceforth apply new criteria in judging whether to enter into new or expanded nuclear cooperation with a nonnuclear weapon state:

. Adherence to the Non-Proliferation Treaty will be a strong positive factor favoring cooperation.

Nations that have not yet adhered to the Non-proliferation Treaty will receive positive recognition if they are prepared to

submit to full fuel cycle safeguard, pending adherence.

- . Recipient nations prepared to forego, or postpone for a substantial period, the establishment of national reprocessing or enrichment activities or, in certain cases, prepared to shape and schedule their reprocessing and enriching facilities to foster nonproliferation needs, will be favored.
- . Positive recognition will also be given to nations prepared to participate in an international storage regime, under which excess fuel and any separated plutonium would be placed pending use.

Exceptional cases may occur in which nonproliferation will best be served by cooperating with states not yet meeting these tests. However, new agreements which are exceptions to these criteria will require my personal approval prior to their submission to the Congress .

With respect to countries that are current recipients of US Nuclear supply, I am directing the Secretary of State to enter into negotiations with the objective of conforming these agreements to established international guidelines, and to seek through diplomatic initiatives to obtain their acceptance of our new criteria.

We must recognize the need for effective multilateral approaches to nonproliferation and prevent nuclear export controls from becoming an element of commercial competition.

-- I am directing the Secretary of State to intensify discussions with other nuclear suppliers aimed at expanding common guidelines for peaceful cooperative agreements so that they conform with these criteria.

In this regard, the United States would discuss ways of developing incentives that can lead to acceptance of these criteria, such as assuring reliable fuel supplies for nations accepting new restraints.

The reliability of American assurances to other nations is an asset that few, if any, nations of the world can match. It must not be eroded in the nuclear, or any other, area. Indeed, nothing could more prejudice our efforts to strengthen our existing nonproliferation understandings that arbitrary suspension or unwarranted delays in meeting supply commitments to countries which are dealing with us in good faith regarding effective safeguards and restraints.

Despite intensive personal efforts on my part, the 94th Congress adjourned without passing nuclear export legislation which would have strengthened our effectiveness in dealing with other nations on nuclear matters. In the absence of such legislation, I am directing the Secretary of State to work closely with the Nuclear Regulatory Commission to ensure proper emphasis on nonproliferation concerns in the nuclear export licensing process.

I will continue to work with Congress to achieve improvements in our nuclear export laws, with due account for the need for broad-based multilateral support. I will work to develop bipartisan support for new legislation in their field during the next session of Congress.

VII. INCREASED USE OF NUCLEAR ENERGY IN THE UNITED STATES

I believe that we must increase the use of nuclear energy in the United States in the years ahead. Even with strong efforts to conserve, energy demands will increase in response to the needs of a growing economy. The only alternative over the next 15 to 20 years to increased use of both nuclear energy and coal is greater reliance on imported oil which will jeopardize our nation's strength and welfare.

We now have 62 nuclear plants licensed to operate in the United States providing about 9 percent of our electrical energy. By 1985, we will have about 150 plants, supplying about 20 percent of the Nation's electricity.

In most cases, electricity from nuclear plants is cheaper than that produced from either oil or coal-fired plants. My environmental advisers believe that nuclear energy is preferable from an environmental point-of-view to other principal ways of generating electricity.

Commercial nuclear power has an excellent safety record, with nearly 200 plant years of experience (over 18 years) without a single death from a nuclear accident. I have acted to assure that the record continues in the years ahead. I increased funds for the independent Nuclear Regulatory Commission and for the Energy Research and Development Administration for reactor safety R&D.

The decisions I have announced today to do not effect the U.S. program of research and development on the breeder reactor. That program assumes that no decision on the

commercial operations of breeder reactors, which require plutonium fuel, will be made before 1986. Nor will my decision on reprocessing affect our ability to use nuclear power in the U.S.

I believe that, with the changes I am announcing today, we are on the right track with our nuclear power program in America.

#### VIII. Reprocessing Evaluation Program

The world community requires an aggressive program to build the international controls and cooperative regimes I have just outlined. I am prepared to mount such a program in the United States.

-- I am directing the Administrator of ERDA to:

-- Begin immediately to define a reprocessing and recycle program aimed at meeting our international objectives. This program should complement the Nuclear Regulatory Commission's (NRC) ongoing considerations of safety safeguards and environmental requirements for reprocessing and recycling activities, particularly its Generic Environmental Statement on Mixed Oxide Fuels.

- Investigate the feasibility of recovering the energy value from used nuclear fuel without separating out plutonium.
- I am directing the Secretary of State to invite other nations and the International Atomic Energy Agency (IAEA) to participate in designing and carrying out ERDA's reprocessing and recycle program, in order to ensure that international energy cooperation and non-proliferation objectives are met.  
I will direct that activities carried out in the U.S. in connection with this program are subject to full IAEA safeguards and inspections.

IX. Nuclear Waste Management

There is one area of our domestic nuclear program that, in the past, did not receive the attention it warranted. That is the area of long-term management of nuclear wastes from our commercial nuclear power plants. This is an area that has concerned me as it has others. In my 1977 Budget, I proposed a four-fold increase in funding for this program, which involves the activities of several Federal agencies, to see what additional actions might be needed to assure that a Federally-owned and managed repository for long-term nuclear wastes would be available in the mid-1980's, well before significant wastes begin to accumulate.

I have now been assured that the technology for long-term management or disposal of nuclear wastes is available but demonstrations are needed.

- I have directed the Administrator of ERDA to take the necessary action to speed up this program so as to demonstrate all components of waste management technology by 1978 and to demonstrate a complete repository for such wastes by 1985.
- I have further directed that the first demonstration depository which will be owned by the Government be submitted for licensing by the independent NRC to assure its safety and acceptability to the public.

In view of the decisions announced today, I have also directed the Administrator of ERDA to assure that the waste repository will be able to handle spent fuel elements as well as the separated and solidified waste that would result if we proceed with nuclear fuel reprocessing.

\* \* \* \*

The United States continues to provide world leadership in nuclear waste management. I am inviting other nations to participate in and learn from our programs. I am also directing the Secretary of State to discuss with other nations and the IAEA the possibility of centrally located multinationally controlled nuclear waste repositories so that the number of sites that are needed can be limited.

I do not underestimate the challenge represented in the creation of a world-wide program that will permit capturing the benefits of nuclear energy while protecting against nuclear proliferation. The challenge is one that can be managed only partially and temporarily by technical measures.

It can be managed fully if the task is faced realistically with determination and foresight of leaders who will resist perceived short-term advantages in favor of fundamental long-term gains. We call upon all leaders to recognize that their individual and collective interests are best served by internationally assured and safeguarded nuclear fuel supply, services and storage. We ask them to turn aside from pursuing nuclear capabilities which are of doubtful economic value and have ominous implications for nuclear proliferation and instability in the world.

The record to date is not perfect. The broad consensus against the acquisition of nuclear weapons is a source of encouragement, but it is certainly not a basis for complacency.

I do not underestimate the scope and complexity of the challenge and the program I have just put forward to meet it. Success depends on an extraordinary coordination of the policies of all nations toward the common good. The U.S. is prepared to lead, but we cannot succeed alone. If nations can work together constructively and cooperatively to manage our common nuclear problems we will enhance our collective security. And we will be better able to concentrate our energies and our resources on the great tasks of construction rather than consume them in increasingly dangerous rivalry.

THE WHITE HOUSE  
WASHINGTON

REQUEST

October 21, 1976

MEMORANDUM FOR: JIM CANNON  
FROM: *Glenn Schleede*  
SUBJECT: NON-PROLIFERATION STATEMENT

Attached at TAB A is a copy of the State-Fri draft marked up to include OMB comments and those that I considered most critical in order to limit damage. You should be aware, however, that this marked up draft does not:

- . Reflect changes to the extremely negative tone at the beginning of the statement.
- . Balance the treatment of international and domestic matters (because that requires major structural changes).
- . Include a desirable description of domestic actions (we sought only to remove inaccuracies).

Attached at TAB B is the version that I understand Dave Elliott sent to Brent Scowcroft. I have not had time to compare the two to see how many changes it includes. I understand from OMB that it does not deal with some of the problems that Jim Mitchell feels are important but which Dave Elliott told him he would have to take up with the State Department (those discussions are unknown).

In case it has been lost in confusion over the last two days, I would like to take this opportunity to summarize my principal concerns about the State-Fri draft:

- . It is unnecessarily negative in tone. I believe an effective system of proliferation controls can exist along side a program of expanded domestic use of nuclear energy.
- . I believe it is unbalanced in its treatment of international concerns compared to domestic policies, programs and actions.



- . I believe its tone will lend support to passage of the 6-7 nuclear initiatives that are on the State ballots for November 2.
- . I believe the negative tone -- particularly when contrasted to past Presidential statements about nuclear energy -- will now make it impossible for all but the most sophisticated to distinguish between the positions of the two candidates.
- . There are statements in the unchanged State-Fri draft that would make it difficult for any nuclear power plants to be built in the State of California, given laws recently passed in that State.
- . The process used in developing the statement has precluded the normal consultation with heads of domestic agencies concerned or their designated representatives. Only Bob Fri and perhaps one NRC staffer has seen or participated in developing the State-Fri draft.

Attachments.



(P)

FINAL OMB

A STATEMENT BY PRESIDENT GERALD R. FORD

Done to  
recalled

Today the peoples of the world face a threat unlike any in history. It is the threat of nuclear weapons proliferation, the threat that nuclear explosives will spread -- to <sup>new</sup> large nations, to <sup>new regions of the world,</sup> ~~small nations,~~ and even to terrorists, ~~who have no nation at all~~. It is a threat that is the more formidable because it arises from the promise of nuclear power as a realistic alternative to continuing dependence on diminishing and uncertain supplies of imported oil.

If we fail to comprehend and contain this threat, the result, inevitably, will be tragedy. But we can -- and we will -- end this danger by understanding it clearly and acting wisely in concert with other responsible nations. ¶ For a world in which the possession of nuclear arms becomes increasingly widespread would be a world in which the security of all is imperiled. Maintaining international stability in such an environment would be incalculably difficult and dangerous. In times of regional or global crisis, risks of nuclear devastation would be immeasurably increased -- if not through direct attack, then through a process of ever expanding escalation. Nor can we ignore the perils of theft or seizure which



increased availability of nuclear weapons must entail.

The problem of nuclear proliferation has been a major concern of my Administration since I first took office. Last summer I directed that our efforts be brought to their culmination by a complete review of our nuclear policies. I received the results of this review before Labor Day, and have since deliberated with great care on its recommendations.

Today, I am announcing ~~an important new~~ American *policies* ~~policy~~ based on those recommendations. We have approached the major supplier countries to begin discussion of these policies, and I am convinced that our new policy will benefit not only the national interest of the United States, but also the welfare of all nations for generations to come.

My policy deals with the world as it is, not as we might wish it; it is a policy that reconciles legitimate national interests in nuclear power with non-proliferation imperatives. Indeed, developing the policies and the programs to prevent proliferation without eliminating the enormous benefit of nuclear energy is one of the major challenges facing all the nations of the world today.

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-- There are legitimate interests in nuclear power. The 1973 energy crisis dramatically demonstrated to all nations not only the dangers of excessive reliance on oil imports, but also the reality that [their and] the world's supply of fossil fuels inevitably is dwindling. As a result, nuclear energy is now seen by many nations as an indispensable way to satisfy rising energy demands without prematurely depleting finite fossil fuel resources. Nuclear energy can lessen their deepening dependence on foreign energy sources, and diminish 'the world economy's vulnerability to fluctuations in the supply of oil. And for nations with no fossil fuel reserves of their own, nuclear power can be central to their economic well being.

We must understand the motives which are leading these states to place <sup>even</sup> greater emphasis than we do on nuclear power development. For unless we comprehend their real needs we cannot expect to find ways of working with them to ensure that their legitimate concerns and ours 'are both met.'

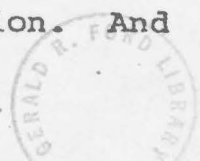
-- Yet the peaceful application of nuclear energy confronts us with a dilemma. Nuclear fuel, once it has been burned to produce power, contains plutonium, which can be chemically separated from the spent fuel. That



plutonium can then be used to help generate additional power. Unfortunately -- and this is the root of the problem -- plutonium is a key ingredient of nuclear explosives. The world community simply cannot afford to let this dangerous material ~~and its related~~ <sup>or the technologies needed to</sup> ~~technology~~ <sup>separate it from</sup> spread uncontrolled over the globe. We <sup>what</sup> should not permit it to be produced and utilized unless and until the most stringent conditions and arrangements for avoiding proliferation are developed, <sup>and adhered to.</sup> ~~and observed.~~

-- But no single nation, not even the United States, can hope by itself to control effectively the spread of plutonium and <sup>and the resultant availability of plutonium</sup> reprocessing technology. The United States once was the predominant supplier of worldwide nuclear <sup>material and technology</sup> ~~energy~~ <sup>equipment and full services</sup> ~~energy~~. While we remain a leader in this field, today other suppliers have come to share the international market -- with the US now supplying about [half] of the international market. We cannot impose our preferences. Therefore it is essential that we exercise our leadership through catalyzing cooperative international action, not through futile attempts to impose our preferences on suppliers and consumers. We must avoid the temptation for rhetorical gestures, empty threats or righteous posturing.

From the outset of the nuclear age, the United States has recognized the dangers of proliferation. And



we have been a leader in efforts to bring them under control. We took steps to share the benefits of the peaceful atom, while acting to control its spread for military purposes when President Eisenhower proposed establishment of the International Atomic Energy Agency. We took the leading role in negotiating the Nuclear Non-Proliferation Treaty.

*Since according to priority to non-proliferation*  
~~Non-proliferation has been a top priority concern~~  
*shortly after*  
~~of my Administration since I took office in 1974, since~~  
then we have made considerable progress in reducing the possibility <sup>of</sup> that increasingly widespread possession of atomic weapons <sup>which ~~it~~ could</sup> eventually spark the holocaust that all mankind fears.

But the urgency of our task has become even more pressing. We and other nations now face critical nuclear policy decisions.

In forging my new nuclear policy initiatives, I have proceeded in the conviction that ~~environmental safety and~~ avoidance of proliferation must take precedence over economic and commercial interests. Great though <sup>as</sup> the economic benefits of nuclear energy ~~may be~~, they cannot justify the dangers that <sup>uprisings are</sup> ~~would~~ threaten a world faced with the uncontrolled availability of plutonium and other nuclear explosive capabilities.

*tone*

||

*1/10*



*To negative*

As a result of my nuclear policy review, I have therefore <sup>believe strongly</sup> ~~concluded~~ that the reprocessing and recycling of plutonium <sup>ought</sup> ~~should~~ not proceed until <sup>there is confidence</sup> ~~we are confident~~ that the world community can effectively overcome the associated risks of proliferation, To <sup>reach</sup> ~~implement~~ my fundamental <sup>judgment</sup> ~~decision~~ requires vigorous action on both the international and domestic fronts.

*But nuclear energy is essential*

~~Internationally, I have decided that, while continuing to assure the availability of efficiently produced and and safeguardable nuclear fuel for peaceful purposes the United States will undertake a major diplomatic effort to <sup>control</sup> reduce the worldwide risks of plutonium access and associated technology.~~

Indeed, peaceful nuclear cooperation can only prosper within a credible international system which reduces nuclear risks for all nations and enables legitimate energy needs to be met. This effort requires the cooperation and support of suppliers and consumers alike.

~~I am directing the Secretary of State to seek the support of other nations for strengthened non-proliferation approaches and for preventing controls from becoming elements of commercial competition.~~

In pursuing global approaches to non-proliferation, the United States recognizes the responsibility to cooperate with other states in realizing the peaceful benefits of nuclear energy. And we will do so with all nations

*cost a few years removing nations from competition*

*[Handwritten scribble]*

*with a view toward reducing commercial competition which can undermine our non-proliferation goals.*



Insert A - page 6

The review also confirmed the major role that nuclear power must play in <sup>ee</sup> meeting both domestic and foreign energy needs regardless of whether plutonium is to be separated and used as more fuel.

Internationally, I have decided that the United States will undertake a major <sup>additional</sup> ~~acceleration~~ of our efforts to control the spread of plutonium and technologies for separating plutonium with a view toward reducing commercial competition which can undermine our non-proliferation goals.



Insert B

Page 6: Third sentence after the underlined portion change to read as follows:

"I am directing the Secretary of State to seek the support of other nations for strengthened nonproliferation [approaches] actions, including the coordination of export restraints and assuring reliable fuel supplies in ways which prevent these from becoming elements of commercial competition."



prepared to dedicate themselves to non-proliferation.

Domestically, we must ensure that our programs and policies are compatible with our international position on reprocessing. I have therefore determined that the United States should no longer regard reprocessing of used nuclear fuel to produce plutonium as a justifiable ~~and necessary~~ additional step in the nuclear fuel cycle, ~~unless~~ <sup>and should be pursued only if the</sup> economic, ~~environmental~~ <sup>all</sup> and above all, non-proliferation uncertainties ~~can be successfully resolved.~~ <sup>are</sup> On the contrary, ~~before we decide whether to apply this~~ <sup>before we decide whether to apply this</sup> technology for commercial purposes, we must be convinced that our course ~~is not only technically sound but that~~ <sup>it</sup> supports our vital non-proliferation objectives.

I am directing the Administrator of the Energy Research and Development Administration to ~~reorient~~ <sup>develop</sup> our energy programs to conform with this policy.

We are committed to construct a new era of global cooperation <sup>in nuclear energy</sup> founded on strong US support. From this basis, I am <sup>authorizing</sup> ~~authorizing~~ a nuclear policy to deal specifically with the three major areas of concern: coordinated <sup>and</sup> international action; strengthened <sup>and</sup> national export policies; and <sup>developing</sup> ~~effective~~ domestic programs <sup>reprocessing</sup> ~~needed to~~.

First, I am directing new and accelerated international initiatives to:

*complement these.*

*take from text  
only*

*was*

*close  
7/13/74  
LWS*



-- persuade other supplier nations to join us in exercising maximum restraint in the transfer of reprocessing and enrichment technology and equipment;

*Could be all the responsibility*  
-- persuade suppliers to offer, and consumers to accept, ~~nuclear fuel services~~ *without commercial advantage or disadvantage* instead of sensitive technology, so that countries accepting responsible restraints in connection with US nuclear assistance will have an assured supply of nuclear fuel;

-- assume responsibility for accepting the spent fuel of consuming nations, as appropriate, in return for financial reimbursement or fresh reactor fuel of equivalent energy value;

~~to explore arrangements for coordinating the resources of suppliers so that they can offer assured and economical fuel services without commercial advantage or disadvantage;~~

-- urge a major commitment of financial and scientific resources to strengthen the safeguards capabilities of the International Atomic Energy Agency and to vigorously pursue cooperative international efforts to upgrade physical security standards; and

-- set a firm policy of international penalties for safeguards violations.

Second, in recognition of the continuing need to exercise leadership in our own national export policies,

*9 - pursue the establishment of an international regime for the storage of excess civil plutonium and spent reactor fuel;*

*Directly*



Insert A

~~Page 8: Combine the second and fourth bullets, as follows:~~

-- Explore arrangements for coordinating the resources of suppliers so that they can offer to countries accepting responsible restraints assured nuclear fuel services, instead of sensitive technology, at equitable prices without commercial advantage or disadvantage.



we need to supply  
- 9 - already made

new approach  
old agreements?

I am directing that the United States take into account  
the following new criteria <sup>for cooperative agreements</sup> ~~in connection with peaceful~~  
~~nuclear cooperation with~~ <sup>to</sup> non-nuclear-weapon states:

- <sup>technologies</sup> whether recipients are parties to the Non-Proliferation Treaty or are prepared to accept IAEA safeguards on all nuclear facilities;
- whether they are prepared to forego or postpone national reprocessing and sensitive enrichment activities;
- and
- whether recipients are willing to participate in an international spent fuel and plutonium storage regime.

Third, to support our overriding non-proliferation objectives, and in consultation with other interested states, taking full account of their policies and <sup>expanded</sup> programs, ~~I am authorizing an experimental program:~~ <sup>have requested EPA to develop programs</sup>

- ~~to assess the feasibility, benefits, and safety of commercial reprocessing and waste disposal;~~
- ~~to~~ develop and test new safeguards approaches;
- and
- ~~to~~ pursue technology alternatives to reprocessing.

These are the foundations of our new approach, and the three areas which our policy will address. Let me now turn in more detail to these three central areas of concern.

-- ~~to~~ increase our understanding of and help to remove remaining uncertainties associated with the economics, safeguards and energy benefits of reprocessing and recycling (These would complement NRC's evaluation of the necessity for

Sheet A

No  
see Fact sheet

and I would think so as well  
for my conclusion that would



Insert # 199

~~Page 9: Rewrite the first half of the page, as follows:~~

~~[Fix 2: Refer to specific criteria]~~

I am directing that the Secretary of State urgently pursue negotiations with other supplier nations to expand the common nonproliferation criteria to be applied to agreements for peaceful nuclear cooperation with non-nuclear weapon states. These <sup>expanded</sup> criteria <sup>should</sup> include the following:

- Whether recipients are parties to the Nonproliferation Treaty or are prepared to accept IAEA safeguards on all nuclear facilities;
- Whether they are prepared to forego or postpone national reprocessing and sensitive enrichment activities; and
- Whether recipients are willing to participate in an international spent fuel and plutonium storage regime.

These criteria, [when agreed upon for addition to the common supplier guidelines,] <sup>OPTION</sup> will be applied by the United States to all agreements to export peaceful nuclear materials, and I will submit to the Congress legislation to give these criteria the force of law.



International Initiatives

A successful policy of reducing the worldwide risks associated with plutonium will require the support and cooperation of both supplier and consumer countries. To secure such support and cooperation, we must demonstrate to other nations that concurrence with the initiatives I am launching today will not harm their legitimate economic interests, while enhancing the future safety of all nations and all peoples. We will work at solving economic problems with all nations that join us in giving precedence to non-proliferation ~~and environmental~~ goals.

\*  
\*  
\*  
yes

[A unilateral decision by the United States to defer commitment to reprocessing would serve no useful purpose if other nuclear supplier nations plunged ahead with the export of reprocessing technology. My second major decision today -- to undertake a major diplomatic effort to reduce the worldwide risks of \_\_\_\_\_ access to plutonium and sensitive technology -- therefore flows directly from the first.]

OK  
Should be included



During the past two years, I have vigorously

pursued non-proliferation through multilateral cooperation with other nations. Because of the growth of nuclear capabilities among several potential supplier nations, I have rejected highly publicized or unilateral approaches, which not only would be futile, but also could easily alienate both supplier and consumer nations whose cooperation is essential to the success of our non-proliferation efforts.

you

My most immediate concern has been to improve international safeguards and controls. In 1974, soon after I assumed office, we proposed strengthening and standardizing non-proliferation measures at the United Nations General Assembly.

In the fall of 1974, I became concerned that some nuclear supplier countries appeared to be prepared to offer nuclear exports under conditions less rigorous than we believed prudent, in order to achieve competitive advantage. I communicated these concerns directly to my counterparts in key supplier and recipient nations. I directed the Secretary of State to explore ways of emphasizing multilateral action



X

to limit this dangerous form of competition.

At our initiative, the first meeting of major nuclear suppliers was convened in London in April, 1975. Additional meetings and intensive bilateral consultations followed.

and are being applied

As a result of these meetings, we have developed <sup>progressive</sup> ~~tight~~ new guidelines to govern nuclear exports -- involving both improved safeguards and controls to prevent diversion, and physical protection against theft and sabotage. This achievement has significantly raised international norms. The United States has adopted these guidelines as policy for nuclear exports.

In addition, we have acted to deal with the special dangers associated with plutonium. Even prior to today's decisions, the United States took the following steps:

-- We have prohibited export of reprocessing and other nuclear technologies that could contribute to proliferation.

-- We have firmly opposed reprocessing in Korea and Taiwan. We welcome their significant decisions to forego such activities and we will continue our efforts to discourage national reprocessing in other

~~areas of concern.~~

Handwritten scribbles and initials.



-- We have negotiated agreements for cooperation with Egypt and Israel which contain the strictest reprocessing provisions and other nuclear controls ever included in the twenty-year history of our nuclear cooperation program.

Other important gains in the effort against proliferation have been made during the two years of my Administration. Last year, the Federal Republic of Germany, Italy, and other European states completed ratification of the Non-Proliferation Treaty. ~~This~~ This year, Japan also ratified the Treaty, ~~a significant step after many years of serious debate.~~ ]

In addition, last month, at my direction, we proposed to the International Atomic Energy Agency an agreement placing US civil nuclear facilities under the safeguards of the IAEA, following extensive negotiations.

~~This~~ This has now been approved by that Agency.

Despite the gains that have been made, the dangers posed by reprocessing and <sup>the prospect of</sup> uncontrolled plutonium demand further, decisive international action. ~~There is, in addition, the parallel risk of spreading uranium enrichment technology which must continue to be effectively controlled.~~ ]

To meet these dangers I propose the following comprehensive international program which flows directly



from the fundamental policy decisions I have announced today:

I call upon all nations to join with us in exercising maximum restraint in the transfer of reprocessing and enrichment technology and facilities by avoiding or deferring such sensitive exports for a period of at least three years. This will allow suppliers and consumers to ~~find~~ <sup>find</sup> reliable ways of meeting nuclear needs with minimum risk, as we assess carefully the wisdom of plutonium use. As we proceed in these efforts, we must not be influenced by pressures to approve the export of these sensitive facilities.

In addition, I urge nuclear suppliers to provide nuclear consumers with nuclear fuel services in place of sensitive nuclear technology. Nations accepting effective non-proliferation restraints have a right to expect reliable and economic supply of nuclear reactors and associated, non-sensitive fuel.

All such nations should share in the benefits of an assured supply of nuclear fuel, even though the number and location of sensitive facilities to generate this fuel is limited to meet non-proliferation goals. The availability of diverse fuel cycle services

*A. work together to assess advisability of proceeding with*



in several different nations can provide ample assurance to consumers of a continuing and stable source of supply.

It is also desirable to continue studying the idea of a few suitably-sited multinational fuel cycle centers to serve regional needs, when effectively safeguarded and economically warranted. Through these and related means, we can minimize incentives for the spread of dangerous fuel cycle capabilities.

The United States will do its part to ensure that any country accepting responsible restraints on its nuclear power program with regard to enrichment, reprocessing and plutonium disposition will have an assured supply of nuclear fuel. To this end, I have directed the Secretary of State with regard to current US recipients, and in new agreements for cooperation, to offer binding letters of intent for the supply of nuclear fuel to countries willing to accept such responsible restraints. These would be fulfilled either by new government capacity or by private suppliers, at our discretion.

The United States is now prepared to enter into negotiations or arrangements with consumer nations, <sup>that adopt responsible</sup> ~~adapting~~ restraints under which ~~we could mutually agree on~~ ~~they would accord us rights of disposition over their~~ spent fuel, where appropriate and where it can demonstrably foster our non-proliferation objectives. In return,

?  
Secret A  
SECRET  
[Handwritten notes and arrows pointing to the text]



Insert A

~~Page 15 and top of Page 16 (through "supply of nonsensitive nuclear fuel . . ."): Refocus, starting with first underlined sentence, as follows:~~

The United States stands ready to take action, in cooperation with other concerned nations, to assure reliable supplies of nuclear fuel at equitable prices to any country accepting responsible restraints on its nuclear power program. At my direction, the Secretary of State will initiate consultations to explore arrangements for coordinating fuel service supply resources and for developing other means of ensuring that suppliers will be able to offer, and consumers will be able to receive, an uninterrupted and economical supply of low-enriched uranium fuel and fuel services. These discussions will address ways to remove any sources of competition which could undermine our common nonproliferation efforts.

In addition, the United States, in cooperation with other supplier nations, is prepared to enter into negotiations or arrangements with consumer nations that adopt responsible restraints to buy-back spent nuclear fuel. Where appropriate and where it can demonstrably foster our nonproliferation objectives, in return for mutually agreed on disposition of spent fuel, the United States will provide consumer nations with either fresh, low-enriched uranium fuel of equivalent energy value or reimbursement.

In pursuing a program of assured fuel supply and fuel exchange, the United States seeks the cooperation of all nations in coordinating provision of these services. The United States seeks no commercial advantage.



these nations would be assured of either reimbursement or fresh, low-enriched fuel of equivalent energy value. In any such arrangement, our objective will be to ensure against any economic disadvantage to the cooperating nation.

In pursuing a program of assured fuel supply and fuel exchange, the United States seeks no commercial advantage over other suppliers. The program can and will be administered in a way which avoids unfair advantage in the sale of reactors or related services. At my direction, the Secretary of State will initiate consultations to explore arrangements for coordinating such resources and developing other means of ensuring that suppliers will be able to offer, and consumers will be able to receive an interrupted and economical supply of non-sensitive nuclear fuel and fuel services.

To reinforce these policies, we must develop means to establish international <sup>restrictions</sup> control over the plutonium <sup>accumulation of</sup> itself, whether in separated form or in unprocessed spent fuel. The accumulation of plutonium under national control is a major destabilizing influence and, as such, a primary proliferation risk.

The United States will, in the immediate future, pursue discussions aimed at the establishment of a new international regime to provide for storage of excess civil plutonium and spent reactor fuel. I am directing



that we vigorously pursue this proposal which we made to the International Atomic Energy Agency and other interested nations last spring.

Creation of such a regime will greatly strengthen world confidence that the growing accumulation of excess plutonium and spent fuel can be stored safely, pending reentry into the nuclear fuel cycle or other safe disposition. I urge the IAEA, which is empowered to establish such a depository, to give prompt implementation to this concept.

Once a broadly representative IAEA storage regime is in operation, we are prepared to place our own excess civil plutonium and spent fuel under its control. Moreover, we are prepared to consider providing a site for international storage under IAEA auspices.

The inspection system of the IAEA remains a key element in our entire non-proliferation strategy. The world community must make sure that the Agency has the technical and human resources needed to keep pace with its expanding responsibilities.

I therefore ~~have directed a major commitment of additional resources to the IAEA, and also~~ <sup>at</sup> ~~a mobilization of our best scientific talent to support the Agency.~~ Two of our principal national laboratories

*have directed the Secretary of State*

*to initiate discussions with the IAEA which will seek to expand their safeguards capabilities and have*



have been directed to provide assistance, on a continuing basis, to the IAEA Secretariat.

The terrible increase in violence and terrorism throughout the world has sharpened our awareness of the need to assure rigorous protection for sensitive nuclear materials and equipment. Fortunately, the need to cope with this problem is now broadly recognized. Many nations have responded to the initiatives which I have taken in this area by materially strengthening their physical security and by cooperating in the development of international guidelines by the IAEA. As a result of consultations among the major suppliers, provision for adequate physical security is becoming a normal condition of supply.

Steps are still urgently needed, however, to upgrade physical security systems to meet international norms, and to assure timely international collaboration in the recovery of lost or stolen materials. On the basis of my review of nuclear policies, I have directed that the United States vigorously address the problem of physical security at both bilateral and multilateral levels, including exploration of a possible international convention.

The United States is prepared to embark with all its resources on development of the system of international controls that I have here outlined. Even when complete, however, no system of controls is likely to be effective, if a potential violator judges that his acquisition of a nuclear explosive will be received with indifference by the international community.

Any material violation of a nuclear safeguards agreement -- especially the diversion of nuclear material for use in making explosives -- must be universally judged to be an extremely serious affront to the world community, calling for the immediate imposition of drastic sanctions. I serve notice today that the United States will respond to violation by any nation of any safeguards agreement to which we are a party with, at a minimum, immediate cut off of our supply of nuclear fuel and cooperation to that nation. We would consider further steps, not necessarily confined to the area of nuclear cooperation, against the violator nation. Nor will our actions be limited to violations of agreements in which we are directly involved. In the event of material violation of any safeguards agreement, particularly agreements with the



IAEA, we will initiate immediate consultations with all interested nations.

Universal recognition of the total unacceptability of the abrogation or violation of any non-proliferation agreements is one of the most important steps which can be taken to prevent further proliferation. We invite all concerned governments to affirm publicly that they will regard nuclear wrongdoing as an intolerable violation of acceptable norms of international behavior, which would set in motion strong and immediate counter-measures.

Finally, we must make sure that nuclear power is not adopted unnecessarily in cases where alternative sources of energy would serve just as well. To this end, the United States is placing increased emphasis on the development of non-nuclear sources of power.

We have proposed the establishment of an International Energy Institute, specifically designed to help developing countries match the most economic and readily available sources of energy to their power needs. In many cases, this source will be non-nuclear. Through this Institute and other appropriate means, we will offer technological assistance in the development of indigenous energy resources as an alternative to nuclear power.

*Handwritten notes:*  
- ~~Foreign~~  
- ~~to maintain~~  
- ~~interest~~  
- ~~its other~~  
- ~~interests~~

*Handwritten notes:*  
- ~~shall continue to spare considerable effort in developing their indigenous energy resources~~

*Handwritten notes:*  
- ~~US in world leadership role~~  
- ~~regard to energy resources~~  
- ~~international~~



Insert, page 20

Finally, the U.S. will continue to expand cooperative efforts with other countries in developing their indigenous energy resources.

National Export Policy

During the past two years, the United States has strengthened its own national nuclear export policies. Our interests, however, are not limited to controls alone. The nuclear weapons states, including the United States, have a special responsibility under the Nuclear Non-Proliferation Treaty to share the benefits of peaceful nuclear energy with non-nuclear countries. We have sought to serve other nations as a reliable supplier of nuclear fuel and equipment. Given the choice between commercial benefits and progress toward our non-proliferation goals, we have given, and will continue to give, priority to non-proliferation. But there should be no incompatibility between non-proliferation and assisting other nations in enjoying the benefits of peaceful nuclear power, if all supplier countries pursue common nuclear export policy. There is need, however, for even more rigorous controls than those now commonly accepted, and for policies that favor nations accepting responsible non-proliferation limitations.

On the basis of my recently completed study of nuclear policies, I have decided to direct the Secretary of State to urgently pursue negotiations with other supplier nations to broaden our common guidelines for nonproliferation criteria required for the export of peaceful nuclear materials and facilities. These criteria should include the following:

-- Whether recipients are parties to the Nonproliferation Treaty or are prepared to accept IAEA safeguards on all nuclear facilities;



-- Whether they are prepared to forego or postpone national reprocessing and sensitive enrichment activities; and

-- Whether recipients are willing to participate in an international spent fuel and plutonium storage regime.]

With respect to countries that are current recipients of U.S. nuclear supply, I am directing the Secretary of State to enter into negotiations with the objective of conforming these agreements to agreed international guidelines, and to seek through diplomatic initiatives to obtain their acceptance of the new criteria.

*These criteria, when agreed upon for addition to the common supplier guidelines, will be applied by the United States to all agreements to export peaceful nuclear materials, and I will submit to the Congress legislation to give these criteria the force of law.*

*Exceptional cases may occur in which non-proliferation will best be served by cooperating with states not yet meeting these tests. However, new agreements which are exceptions to these criteria will require my personal approval prior to their submission to the Congress.*



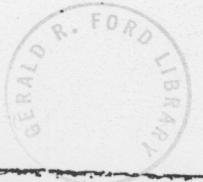
National Export Policy

During the past two years, the United States has strengthened its own national nuclear export policies. Our interests, however, are not limited to controls alone. <sup>weapon states including the</sup> The United States <sup>have</sup> has a special responsibility ~~as one of our obligations under the Nuclear Non-Proliferation Treaty,~~ to share the benefits of peaceful nuclear energy with non-nuclear countries. We have sought to serve other nations as a reliable supplier of nuclear fuel and equipment. Given the choice between commercial benefits and progress toward our non-proliferation goals, we have given, and will continue to give, priority to non-proliferation. But there should be no incompatibility between non-proliferation and <sup>assisting other nations in</sup> a vigorous export trade, <sup>enjoying the benefits of peaceful nuclear power,</sup> if all supplier countries pursue common ~~nuclear~~ export policy. <sup>that are effective in controlling nuclear proliferation.</sup> There is need, however, for even more rigorous controls, and for policies that favor nations accepting responsible non-proliferation limitations. ~~The United States will move in this direction.~~

STET

On the basis of my recently completed study of nuclear policies, I have decided that we will henceforth apply new criteria in judging whether to enter into new or expanded nuclear cooperation with a non-nuclear weapon state.

*Handwritten notes:*  
 - Medium  
 - other  
 - ...  
 - ...  
 - ...



These new criteria are:

-- Adherence to the Non-Proliferation Treaty will be a strong positive factor favoring cooperation.

-- Nations that have not yet adhered to the Non-Proliferation Treaty will receive positive recognition if they are prepared to submit to full fuel cycle safeguards, pending adherence.

-- Recipient nations prepared to forego, or postpone ~~for a substantial period~~, the establishment of national reprocessing or enrichment activities or, in certain cases, prepared to shape and schedule their reprocessing and enriching facilities to foster non-proliferation needs, will be favored.

-- Positive recognition will also be given to nations prepared to participate in an international storage regime, under which excess fuel and any separated plutonium would be placed pending use.

Exceptional cases may occur in which non-proliferation will best be served by cooperating with states not yet meeting these tests. However, I have decided to go beyond the requirement in present law which requires Presidential approval of all new agreements for nuclear cooperation with other nations. Henceforth, negotiation of any new agreement with a nation which does not now

STET

I shall not recommend to the Congress



meet these strict standards ~~will not even be initiated,~~

~~without my personal approval in advance.~~

The above criteria would provide the norm in negotiating all new or amended Agreements for Cooperation.

I have also directed the Secretary of State to <sup>conduct</sup> ~~open~~ discussions with the other nuclear suppliers <sup>now aimed at expanding</sup> ~~to shape~~

~~common~~ common guidelines so that they conform with these principles. With respect to countries that are current recipients of US nuclear supply, I am directing the Secretary of State to enter into negotiations with the objective of conforming these agreements to agreed international guidelines, and to seek through diplomatic initiatives to obtain their acceptance of our new criteria.

The reliability of American assurances to other nations is an asset that few, if any, nations of the world can match. It must not be eroded in the nuclear, or any other, area. Indeed, nothing could more prejudice our efforts to strengthen our existing non-proliferation understandings than arbitrary suspension of unwarranted delays in meeting supply commitments to countries which are dealing with us in good faith regarding effective safeguards and restraints. ~~The importance of this principle requires that final authority over the licensing of nuclear exports be~~

out

~~Handwritten scribble~~



~~returned to the President.~~

Despite intensive personal efforts on my part, the 94th Congress adjourned without passing ~~the~~ nuclear export legislation which would have strengthened our effectiveness in dealing with other nations on nuclear matters. In the absence of such ~~legislation~~ legislation, I am directing the Secretary of State to work closely with the Nuclear Regulatory Commission to ~~increase~~ <sup>ensure proper</sup> emphasis on non-proliferation concerns in the nuclear export licensing process.

I will continue to work with Congress to achieve improvements in our nuclear export laws, with due account for the need for broad-based multilateral support. I welcome in particular the constructive proposals made by Senator Pastore, Congressmen Anderson and Price, and their colleagues on the Joint Commission for Atomic Energy. On the basis of their suggestions and my initiatives, I will work to develop bipartisan support for new legislation in this field during the next session of Congress.

Implications for Domestic Policy

We must ~~not make the mistake of underestimating~~ <sup>increase to use of nuclear power</sup> the ~~current importance of nuclear energy,~~ <sup>well</sup> to our own national well-being. ~~If there are security risks~~ <sup>and this can be done safely</sup>



~~associated with the use of nuclear energy, there would be risks almost as grave in abandoning this new energy source.~~

Our dependence on imported oil has risen 20 percent since 1973, largely due to the failure of Congress to act on my Administration's energy program. The dangers in this situation are obvious.

We must <sup>continue emphasizing energy</sup> achieve ~~more effective~~ conservation, and ~~vigorously~~ <sup>ing</sup> pursue development of solar energy and other new non-nuclear energy sources. Under my Administration, conservation research has more than quadrupled. Solar energy research has increased ~~700 percent~~ <sup>from \$15 million to \$16 million</sup>, and research on other non-nuclear resources has ~~been~~ <sup>also</sup> ~~correspondingly~~ <sup>substantially</sup> raised. ~~I am now recommending that we do even more.~~

But we must recognize that these new energy sources are in their infancy. No responsible scientific authority holds that they can significantly contribute to meeting our energy needs before <sup>2000</sup> 1990, at the very earliest.

Nuclear energy must fill much of the gap that remains. <sup>(and coal as well as further development)</sup>

The key question that <sup>we are now addressing</sup> ~~remains in development of~~ ~~our domestic nuclear energy program~~ is whether we can safely allow plutonium to be separated from used nuclear fuel on a commercially ~~exploitable~~ scale. ~~The development~~

*Nuclear power can and must continue to expand in the U.S. regardless of whether plutonium is recycled is appreciated now.*

*Handwritten note on right margin: "Nuclear power is safe"*



In light of this, we cannot think of abandoning nuclear energy. We are relying on nuclear energy to help us meet our domestic energy needs at least through the end of this century.

~~of nuclear energy is approaching a point at which this question must be definitively answered. We must not allow the answer to be reached by default.~~

Equally important, we must formulate a national nuclear policy *for the expansion of nuclear power* which is responsive to our non-proliferation concerns ~~and is not driven by narrow perceptions of domestic needs.~~ If we are to play

a leading role in influencing global plutonium

decisions, we must examine objectively, the crucial

issues related to reprocessing ~~and seek to resolve~~ *and seek to resolve the uncertainties associated with it.* ~~the many uncertainties.~~ Only by so doing can we

keep faith not just with future generations of

Americans but with our friends and partners abroad

who will look to us to provide a credible justification

if asked to refrain from reprocessing.

*regarding FRPA to develop a program*  
I am therefore authorizing an experimental

program to determine answers to the following questions

of interest to the United States and all nations pursuing

nuclear power programs.

*aimed at removing all remaining uncertainties*  
-- Whether safe means of reprocessing used nuclear fuel and disposing of the remaining waste can be developed,

*regarding the economics, safety and safeguarding of reprocessing and accept*

facilities  
-- whether means can be developed to provide

adequate safeguards against the use of plutonium to

manufacture nuclear weapons;

*This is consistent without request to other*



*to explore the feasibility of*

-- and whether technological alternatives to reprocessing ~~can be found.~~



Consistent with asking other supplier and consumer nations to join us in avoiding export of reprocessing technology, we will explore means to include appropriate participation by other nations in this experimental program, in such a manner as to support our non-proliferation objectives. To ensure that this program serves non-proliferation objectives, taking into account the nuclear programs and policies of other, I have directed the Secretary of State and the Administrator of ERDA to consult with the IAEA and with interested states *in defining the scope and nature of* ~~before we finalize the precise scope and nature of our~~ experimental effort.

The experimental program will fit into the framework of our recently approved safeguard arrangement with the IAEA, serving as a testing ground for the development and demonstration of techniques to provide safeguards against diversion of pure plutonium for use in nuclear weapons. In this connection, we will urge the IAEA to test and apply the most vigorous possible safeguards to the experimental *program* ~~facility itself~~. Finally, this experimental program will ~~serve to~~ effectively complement the ongoing Nuclear Regulatory Commission proceedings concerning the wide-scale use of mixed oxide fuel in nuclear reactors.



effect to the M. S. program <sup>28</sup> after

In light of the decisions I have made today, I am able to confirm my Administration's earlier assessment that we can defer for ten years any decision to ~~place~~ <sup>permit</sup> breeder reactors, ~~to be placed in commercial~~ which would require plutonium fuel, in commercial operation. We know from experience that the lead time for the development of complex technologies in the nuclear field is prolonged. The experimental program that I am authorizing will provide the knowledge of reprocessing that will be needed to ~~go~~ <sup>make</sup> a sound decision ~~to go~~ ahead with the breeder, if the responsible authorities ~~at the proper time in the future~~ should decide ~~then~~ years from now to do so.

~~On the basis of the study of nuclear policy recently conducted by my Administration, I have quadrupled the~~

budget for our program to dispose of nuclear waste.

We expect to demonstrate a complete depository for such waste by 1985. I have recently directed, however, a speed-up of the program to demonstrate the components of waste disposal technology by the end of 1978. I have also directed that the first demonstration depository be submitted for licensing by the Nuclear Regulatory Commission to assure its safety and acceptability to the public.

Recognizing the critical importance of environmental ~~the sound~~ long term disposal of radioactive wastes, my administration has already moved to provide an effective program to assure this and in my FY 1977 Budget call



insert p 28

The decision I have made today does not effect the U.S. program of research and development on the breeder reactor. That program assumes that no decision on the commercial operations of breeder reactors, which require plutonium fuel, will be made before 1986.



Consistent with my decision that reprocessing is no longer to be viewed as inevitable, I am directing today that the waste disposal program include careful study of the feasibility of long-term storage of spent fuel that has not been reprocessed.

\* \* \* \* \*

The challenge of nuclear proliferation demands candor. It can perhaps be managed -- but only partially and temporarily by technical measures. It can only be solved, however, if all of us face the problem realistically. These realities are fundamentally political, relating to the determination and foresight of leaders in resisting perceived short-term advantages in favor of fundamental long-term gains. We ask all leaders to <sup>recognize</sup> ~~see~~ that their individual and collective interests are best served by internationally assured and safeguarded nuclear fuel supply, services and storage. We ask them to turn aside from pursuing nuclear capabilities which are of doubtful economic value and have ominous implications for nuclear proliferation and instability in the world.

The record to date is not perfect. The broad consensus against the acquisition of nuclear weapons is a source of encouragement, but it is certainly not a basis for complacency.



I do not underestimate the scope and complexity of the challenge and the program I have just put forward to meet it. Success depends on an extraordinary coordination of the policies of all nations toward the common good. The US is prepared to lead, but we cannot succeed alone. If nations can work together constructively and cooperatively to manage our common nuclear problems we will enhance our collective security. And we will be better able to concentrate our energies and our resources on the great tasks of construction rather than consume them in increasingly destructive rivalry.

TAB B

THE WHITE HOUSE  
WASHINGTON

MEMORANDUM FOR: THE PRESIDENT

FROM: BRENT SCOWCROFT

SUBJECT: Statement on Nuclear Policy

The Question at Hand

A draft statement has been prepared by State and Bob Fri for release that would lay out your new policies and implementing actions, domestic and international, to control the risk of nuclear proliferation. Although not intended to do so, by giving heavy acknowledgement to the risks of proliferation, the statement may be construed by some as being "anti nuclear", and conceivably could affect the nuclear moratoria votes in seven states on November 2. On the other hand, the media and Governor Carter have been making an issue over the lack of public action on the Administration's part in this area, and Carter might be expected again to play on this theme in Friday night's debate. Also, there have been a series of leaks and follow up stories misrepresenting your new policy position by implying that you intend a \$1 billion bail-out of the consortium owning the incomplete reprocessing plant at Barnwell, South Carolina.

Your decision is needed on whether or not to release the nuclear statement now (before the third debate) or to wait and rewrite the statement.

Background

As you recall, Bob Fri's report to you on nuclear non-proliferation, reprocessing, and waste disposal was submitted in early September. Based on your decisions, the following actions were to be taken:

- a new statement on U.S. nuclear policy would be made by you,
- we will indicate our continuing support of nuclear power abroad, while taking specific new actions to control the sensitive aspects of the nuclear fuel cycle in other countries,



- we will reorient our own approach to reprocessing, mainly because of the international risk of proliferation connected with a business-as-usual attitude toward reprocessing and the diffusion of reprocessing technology,
- reprocessing in the U.S. would only proceed if the economics warrant it and if the proliferation risks can be demonstrably controlled,
- the government will assist in a domestic commercial scale reprocessing demonstration -- possibly with foreign participation and under IAEA safeguards -- to test the questions of economic viability and safeguardability, and
- the government will undertake the responsibility for long-term storage of radioactive wastes, and will construct a demonstration facility to demonstrate the waste disposal system.

Following your decision, State contacted the foreign ministers of the other major nuclear suppliers (France, UK, FRG, Canada, Japan, and the USSR) to notify them of your basic decisions, to outline the several specific international actions that we would propose to achieve greater nuclear restraints and controls, and to solicit their comments and a general indication of support. Although guarded in their responses, these states will not object to our initiatives and can be expected to support many after there is a fuller understanding of our proposals. Where there were specific sensitivities, State has worded the draft statement to avoid an adverse reaction abroad.

#### Draft Statement on Nuclear Policy

A draft statement has been prepared to enunciate your decisions and the implementing actions (Tab A). It has been approved by State (Kissinger) and ERDA (Fri). Based on the perception that our major problem with nuclear power, at least at this time, is concern over the proliferation risks, the statement deals primarily with your attack on that problem. Your decision to support U.S. reprocessing, including the possibility of demonstration, must be carefully handled because it can be perceived as in conflict with our international thrust against reprocessing and because of public speculation that it is a "bail-out" for Barnwell. Domestic reprocessing activities are mainly explained in the statement as a response to the proliferation concerns, and not as a step by the government to facilitate the development of the domestic nuclear fuel cycle. The non-proliferation emphasis of the statement is also in recognition of the fact that the current political focus is on non-proliferation, as evidenced by Congress' pre-occupation with the subject during the latter part of the session.

By emphasizing the non-proliferation risks, you may be perceived by the nuclear industry as undercutting nuclear power's future in the U.S. Although your statement is intended to support nuclear power, per se, and only express grave reservations about reprocessing, the atmospheric may seem "anti nuclear". Unfortunately, some ambivalence is inherent in trying to deal in the same paper with the different problems we have domestically and internationally.

### Your Options

1. Go ahead now with the statement as is.

#### Pros

- This will get you on record with a series of firm steps addressing non-proliferation.
- It will make clear that you are not committed to any specific reprocessing demonstration and halt the extreme statements about your planned bail-out of the AGNS plant owners.
- Through leaks here and official approaches abroad, the stage is set for your statement. To delay will possibly raise public questions about your commitment, and be anticlimatic when released later.

#### Cons

- Although some rewording can improve the anti nuclear ring to the statement, any statement giving credence to a palpable proliferation risk will be misrepresented by some to show that the U.S. cannot safely proceed with nuclear power.
- The arms control community, which favors no reprocessing, will criticize any forward movement on domestic reprocessing.
- There will be some who interpret any implied commitment to proceed with reprocessing activities as a secret intention to bail-out AGNS plant.
- The proposals in the draft statement will not be easy for untutored readers to distinguish from those put forward by Carter. This presents the opportunity for a charge of (a) me tooism or (b) flip-flop on your support of nuclear energy. These charges might be made, however, if a statement is made anytime before the election.

2. Rewrite statement so as to deal in the most balanced possible way with both domestic and international concerns. Issue it after the debate, if possible.

Pros

- Mitigates somewhat the risk of having your position confused with that of Governor Carter.
- You have a good record which you can discuss in debate even without a statement.
- Another rewrite might permit bringing balance into the statement, although State believes we cannot go very far in that direction without undercutting the strength of the non-proliferation commitment.

Cons

- You will not be on record at the time of the debate.
  - You may find it difficult to justify the delay in issuing a statement.
  - There may not be time to deal with the statement next week, meaning that a delay until after the election is a virtual certainty.
3. Postpone issuing the statement, probably until after the election.

Pros

- This will allow more time to try balancing the statement with more focus on the actions to support the domestic nuclear power, although major changes in that direction may run the risk of making the statement seem weaker as a non-proliferation commitment.
- The nuclear non-proliferation issue may not arise again in the campaign. If your statement were badly received (which we do not expect), you would be bringing the issue back to life to your own detriment.
- Postponement will avoid any possible negative impact the statement might have on the nuclear moratoria votes in seven states on November 2.

- You would avoid charges of me-tooism and possibly seeming to change your position on the support of nuclear power.

### Cons

- If the non-proliferation issue fires up again in the debate or during the campaign, you will be able to point only to past diplomatic actions and to studies underway -- not to a recently enunciated, comprehensive action plan.
  - Since this statement has been so prominently foreshadowed in the press, further delay may be interpreted by some as a falling back in your commitment.
  - State believes this statement will have a very positive effect abroad and will allow us to initiate a new international regime for controlling proliferation. They are therefore anxious to have the statement issued.
4. Rewrite the statement to make the focus entirely on non-proliferation, and issue a second statement regarding domestic nuclear power problems. This would exclude the purely domestic actions from the current dialogue, thereby be less likely to be seen as biasing our domestic nuclear program.

### Pros

- This would put the focus where the concerns that were most prominently discussed in Congress and the press lie. Hopefully it would avoid tarring the domestic program in the process.
- It would permit subsequent analysis before the commitment to a U.S. supported reprocessing plant and waste disposal facility.
- We could put the new policies regarding radioactive waste disposal into a separate statement, but the domestic and international implications of the reprocessing decision are entwined. We could not address international reprocessing meaningfully without stating at least the key parts of our position on domestic reprocessing.
- It would not counter media criticism that the U.S. plans to "bail-out" the AGNS plant.

Your Decision .

1. Release the nuclear statement now.

APPROVE \_\_\_\_\_

2. Alternatively, hold it for further rework, but release it before the election.

APPROVE \_\_\_\_\_

3. Alternatively, hold it for further rework and release after the election.

APPROVE \_\_\_\_\_

4. Or alternatively, turn it into a non-proliferation statement by removing the separable parts dealing with our domestic nuclear program, and release before the debate.

APPROVE \_\_\_\_\_

A STATEMENT BY PRESIDENT GERALD R. FORD

Today the peoples of the world face a threat unlike <sup>other</sup> any in history. It is the threat of nuclear weapons proliferation, the threat that nuclear explosives will spread -- to <sup>new</sup> large nations, to <sup>new regions of the world,</sup> ~~small nations,~~ and even to terrorists, ~~who have no nation at all.~~ It is a threat that is the more formidable because it arises from the promise of nuclear power as a realistic alternative to continuing dependence on diminishing and uncertain supplies of ~~imported~~ oil.

If we fail to comprehend and contain this threat, the result, inevitably, will be tragedy. But we can -- and we will -- end this danger by understanding it clearly and acting wisely in concert with other responsible nations. ¶ For a world in which the possession of nuclear arms becomes increasingly widespread would be a world in which the security of all is imperiled. Maintaining international stability in such an environment would be incalculably difficult and dangerous. In times of regional or global crisis, risks of nuclear devastation would be immeasurably increased, ~~if not through direct attack, then through a process of ever expanding escalation.~~ Nor can we ignore the perils of theft or seizure which



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increased availability of nuclear weapons must entail.

The problem of nuclear proliferation has been a major concern of my Administration since I first took office. Last summer I directed that our efforts be brought to their culmination by a ~~complete~~ <sup>thorough</sup> review of our nuclear policies. ~~I received the results of this~~ <sup>That study has been completed</sup> ~~review before Labor Day,~~ <sup>I</sup> and have ~~since~~ deliberated with great care on its recommendations.

Today, I am announcing ~~an important~~ new American <sup>policies</sup> policy based on those recommendations. We have approached the major supplier countries to begin discussion of these policies, and I am convinced that our new policy will benefit not only the national interest of the United States, but also the welfare of all nations for generations to come.

My policy deals with the world as it is, not as we might wish it; it is a policy that reconciles legitimate national interests in nuclear power with non-proliferation imperatives. Indeed, developing the policies and the programs to prevent proliferation without eliminating the enormous benefit of nuclear energy is one of the major challenges facing all the nations of the world today.



-- There are legitimate interests in nuclear power. The 1973 energy crisis dramatically demonstrated to all nations not only the dangers of excessive reliance on oil imports, but also the reality that ~~their~~ and the world's supply of fossil fuels inevitably is dwindling. As a result, nuclear energy is now seen by many nations as an indispensable way to satisfy rising energy demands without prematurely depleting finite fossil fuel resources. Nuclear energy can lessen their deepening dependence on foreign energy sources, and diminish the world economy's vulnerability to fluctuations in the supply of oil. And for nations with no fossil fuel reserves of their own, nuclear power can be central to their economic well being. We must understand the motives which are leading <sup>some</sup> ~~these~~ states to place <sup>even</sup> greater emphasis than we do on nuclear power development. For unless we comprehend their real needs we cannot expect to find ways of working with them to ensure that their legitimate concerns and ours are both met.

-- Yet the peaceful application of nuclear energy confronts us with a dilemma. Nuclear fuel, once it has been burned to produce power, contains plutonium, which can be chemically separated from the spent fuel. That



plutonium can then be used to help generate additional power. Unfortunately -- and this is the root of the problem -- plutonium is a key ingredient of nuclear explosives. The world community simply cannot afford to let this dangerous material and <sup>the</sup> ~~its~~-related technology <sup>to produce it from reactor wastes</sup> spread uncontrolled over the globe. We should not permit it to be produced and utilized unless and until the most stringent conditions and arrangements for avoiding proliferation are developed and <sup>addressed to.</sup> ~~observed.~~ Moreover,

-- But no single nation, not even the United States, can hope by itself to control effectively the spread of plutonium and reprocessing technology. The United States once was the predominant supplier of worldwide nuclear ~~energy~~ <sup>materials and technology.</sup> While we remain a leader in this field, today other suppliers have come to share the international market -- with the US ~~now~~ <sup>less than half of the</sup> supplying ~~about half of~~ <sup>nuclear reactor exports.</sup> ~~the international market. We cannot impose our preferences.~~ Therefore it is essential that we exercise our leadership through catalyzing cooperative international action, not through futile attempts to impose our preferences on suppliers and consumers. We must avoid the temptation for rhetorical gestures, empty threats or righteous posturing.

From the outset of the nuclear age, the United States has recognized the dangers of proliferation. And

Technology for producing nuclear fuel -- uranium enrichment -- can be turned to the production of highly enriched uranium which, like plutonium, can be used to make nuclear weapons



we have been a leader in efforts to bring them under control. We took steps to share the benefits of the peaceful atom, while acting to control its spread for military purposes when President Eisenhower proposed establishment of the International Atomic Energy Agency. We took the leading role in negotiating the Nuclear Non-Proliferation Treaty.

~~Non-proliferation has been a top priority concern~~

Start

~~of my Administration since I took office in 1974~~ <sup>Since</sup> ~~since~~ <sup>then</sup> ~~then~~ we have made considerable progress in reducing the possibility <sup>of</sup> ~~that~~ increasingly widespread possession of atomic weapons <sup>which could</sup> ~~would~~ eventually spark the holocaust that all mankind fears.

But the urgency of our task has become even more pressing. We and other nations now face critical nuclear policy decisions.

In forging my new nuclear policy initiatives, I have proceeded in the conviction that ~~environmental safety and~~ avoidance of proliferation must take precedence

Through

over economic and commercial interests. ~~Great though~~ <sup>to</sup> ~~the~~ economic benefits <sup>representing</sup> of nuclear energy ~~may be~~, they cannot justify the dangers that <sup>may</sup> ~~would~~ threaten a world faced with the uncontrolled availability of plutonium and other nuclear explosive capabilities.



As a result of my nuclear policy review, I have therefore <sup>believe strongly</sup> concluded that the reprocessing and recycling of plutonium <sup>ought</sup> should not proceed until <sup>there is</sup> we are confidence that the world community can effectively overcome the associated risks of proliferation. To <sup>carry out this</sup> implement my fundamental <sup>judgment</sup> decision requires vigorous action on both the international and domestic fronts.

The review also confirmed the major role that nuclear power must play in <sup>meeting</sup> both domestic and foreign energy needs regardless of whether plutonium is to be separated and used as more fuel.

Internationally, I have decided that the United States will undertake a major <sup>additional</sup> acceleration of our efforts to control the spread of plutonium and technologies for separating plutonium <sup>and to</sup> with a view toward reducing <sup>e</sup> that commercial competition which can undermine our non-proliferation goals.

Indeed, peaceful nuclear cooperation can only prosper within a credible international system which reduces nuclear risks for all nations and enables legitimate energy needs to be met. This effort requires the cooperation and support of suppliers and consumers alike. I am directing the Secretary of State to seek the support of other nations for strengthened



non-proliferation approaches and for preventing controls from becoming elements of commercial competition. In pursuing global approaches to non-proliferation, the United States recognizes the responsibility to cooperate with other states in realizing the peaceful benefits of nuclear energy. And we will do so with all nations



prepared to dedicate themselves to non-proliferation.

Domestically, we must ensure that our programs and policies are compatible with our international position on reprocessing. I have therefore determined

that the United States should no longer regard reprocessing of used nuclear fuel to produce plutonium as a justifiable

as a necessary  
^ additional step in the nuclear fuel cycle, ~~unless and it should~~  
~~pursued only if the~~  
economic, ~~environmental~~ and above all non-proliferation  
uncertainties ~~can be successfully~~ <sup>are</sup> resolved. ~~[For the~~  
~~certainty, before we decide whether to apply this~~  
~~technology for commercial purposes, we must be convinced~~  
~~that our course is not only technically sound but that~~  
~~it supports our vital non-proliferation objectives.]~~

*Vertical handwritten note on the right margin, possibly reading "Nuclear Energy" or similar.*

Accordingly,  
^ I am directing the Administrator of the Energy Research and Development Administration to ~~reorient our energy~~ <sup>develop</sup> programs to conform with this policy.

We are committed to construct a new era of global cooperation <sup>via nuclear energy</sup> founded on strong US support. From this

basis, I am <sup>proposing</sup> ~~authorizing~~ a nuclear policy to deal specifically with the three major areas of concern:

coordinated international action; strengthened national export policies; and effective domestic programs <sup>needed to</sup> ~~complement these.~~

First, I am directing new and accelerated international initiatives to:



-- persuade other supplier nations to join us in exercising maximum restraint in the transfer of reprocessing and enrichment technology and <sup>facilities by avoiding</sup> ~~equipment~~ or deferring such sensitive exports for a period of at least three years

-- persuade suppliers to offer, and consumers to accept, nuclear fuel services instead of sensitive technology, so that countries accepting responsible restraints ~~in the transfer of sensitive technology~~

will have an assured supply of nuclear fuel; *and also*

-- assume responsibility for accepting the spent fuel of consuming nations, as appropriate, in return for financial reimbursement or fresh reactor fuel of equivalent energy value;

~~also~~ explore arrangements for coordinating the resources of suppliers so that they can offer assured and economical fuel services without commercial advantage or disadvantage;

-- urge a major commitment of financial and scientific resources to strengthen the safeguards capabilities of the International Atomic Energy Agency and to vigorously pursue cooperative international efforts to upgrade physical security standards; and

-- set a firm policy of international penalties for safeguards violations.

Second, in recognition of the continuing need to exercise leadership in our own national export policies,

*1) - pursue the establishment of an international regime for the storage of excess civil plutonium and spent reactor fuel;*



I am directing that the United States take into account the following ~~new~~ criteria in conjunction with peaceful nuclear cooperation with non-nuclear-weapon states:

-- whether recipients are parties to the Non-Proliferation Treaty or are prepared to accept IAEA safeguards on all nuclear facilities;

-- whether they are prepared to forego or postpone national reprocessing and sensitive enrichment activities; and

-- whether recipients are willing to participate in an international spent fuel and plutonium storage regime.

Third, to support our overriding non-proliferation objectives, and in consultation with other interested states,

*I have directed the Administrator of ERDA to develop expanded programs for our consideration that would:*  
~~to assess the feasibility, benefits, and safety~~

of commercial reprocessing and waste disposal, *depository*  
-- *provide safe, long-term waste disposal by 1985;*  
-- to develop and test new safeguards approaches;

and

-- to pursue technology alternatives to reprocessing.

These are the foundations of our new approach, and the three areas which our policy will address. Let me now turn in more detail to these three central areas of concern.



*DeWitt*

International Initiatives

*(1973)*

[A successful policy of] <sup>reducing</sup> the worldwide risks associated with plutonium will require the support and cooperation of both supplier and consumer countries. [To secure such support and cooperation, <sup>only if</sup> we must demonstrate to] other nations <sup>are confident that</sup> [that concurrence with] the initiatives I am launching today will <sup>respect</sup> [not harm] their legitimate economic interests, <sup>and</sup> while enhancing <sup>e</sup> the future safety of all nations and [all] peoples. <sup>I can assure</sup> [We will work at solving economic problems with] all <sup>those</sup> nations that join us in giving precedence to non-proliferation and environmental goals. <sup>that we will stand ready to cooperate with them in any economic problems which arise from this effort</sup>

~~[A unilateral decision by the United States to defer commitment to reprocessing would serve no useful purpose if other nuclear supplier nations plunged ahead with the export of reprocessing technology. My second major decision today -- to undertake a major diplomatic effort to reduce the worldwide risks of access to plutonium and sensitive technology -- therefore flows directly from the first.]~~



During the past two years, I have vigorously pursued non-proliferation through multilateral cooperation with other nations. [Because of the growth of nuclear capabilities among] several potential supplier nations, [I have rejected] highly publicized or unilateral approaches <sup>would be futile; they could as well</sup> which not only would be futile, but also could easily alienate both supplier and consumer nations whose cooperation is essential to [the success of] our [non-proliferation] efforts. *I therefore have rejected such approaches.*

My most immediate concern has been to improve international <sup>cooperation to strengthen</sup> safeguards and controls. In 1974, soon after I assumed office, [we] proposed strengthening and standardizing non-proliferation measures at the United Nations General Assembly.

*that year*  
 → In the fall of [1974], I became concerned that some nuclear supplier countries <sup>were</sup> appeared to be prepared to offer nuclear exports under conditions less rigorous than we believed prudent, in order to achieve competitive advantage. *expressed - also* I [communicated these] concerns directly to my counterparts in key supplier and recipient nations. I directed the Secretary of State to [explore ways of] emphasizing multilateral action



to limit this dangerous form of competition.

At our initiative, the first meeting of major nuclear suppliers was convened in London in April, 1975. <sup>and a series of</sup> [Additional] meetings and intensive bilateral consultations followed.

As a result of these meetings, we have [developed] <sup>significantly raised</sup> <sup>international standards through</sup> ~~progressive~~ <sup>tight</sup> new guidelines to govern nuclear exports, <sup>which are now being applied.</sup> ~~these~~ involving both improved safeguards and controls to prevent diversion, and physical protection against theft and sabotage. [This achievement has significantly raised international norms.] The United States has adopted these guidelines as policy for nuclear exports.

In addition, we have acted to deal with the special dangers associated with plutonium. Even prior to today's decisions, the United States took the following steps:

-- We have prohibited export of reprocessing and other nuclear technologies that could contribute to proliferation.

-- We have firmly opposed reprocessing in Korea and Taiwan. We welcome their [significant] decisions <sup>of those nations</sup> to forego such activities; and we will continue [our efforts] to discourage national reprocessing in other <sup>locations</sup> areas of concern. <sup>particular</sup>



-- We [have] negotiated agreements for cooperation with Egypt and Israel which contain the strictest reprocessing provisions and other nuclear controls ever included in the twenty-year history of our nuclear cooperation program.

<sup>and there have been</sup> Other important gains [in the effort against proliferation have been made] during the two years of my Administration. Last year, the Federal Republic of Germany, Italy, and other European states completed ratification of the Non-Proliferation Treaty. <sup>and</sup> This year, Japan also ratified the Treaty -- a significant step after many years of serious debate, <sup>with Japan.</sup>

In addition, last month, at my direction, <sup>The United States off-</sup> [we] <sup>to place it</sup> proposed to the International Atomic Energy Agency

an agreement placing US [civil nuclear facilities under the safeguards of the] <sup>and the IAEA has approved a proposed agreement for this purpose</sup> IAEA. [This has now been approved by that Agency.]

<sup>But</sup> Despite these gains, [that have been made,] the dangers posed by reprocessing and <sup>the prospect of</sup> uncontrolled plutonium <sup>stockpiles</sup> demand further, decisive international action. (There is, in

addition, the parallel risk of spreading uranium enrichment technology, <sup>This too must be</sup> [which must continue to be] effectively controlled, <sup>and is included in the concepts proposed</sup>

To meet these dangers I <sup>am today</sup> propose [the following] comprehensive international program, [which flows directly]



Enclosure (1) (2)

[from the fundamental policy decisions I have announced today:]

I call upon all nations to join with us in exercising maximum restraint in the transfer of reprocessing and enrichment technology and facilities by avoiding or deferring such sensitive exports for a period of at least three years. This will allow suppliers and consumers to ~~find reliable means for~~ <sup>work together to assess and establish</sup> meeting nuclear needs with minimum risk, as we assess carefully the wisdom of plutonium use. As we proceed in these efforts, we must not be influenced by pressures to approve the export of these sensitive facilities.

[In addition,] I urge nuclear suppliers to provide nuclear consumers with nuclear fuel services in place of sensitive nuclear technology. Nations accepting effective non-proliferation restraints have a right to expect reliable and economic supply of nuclear reactors and associated, non-sensitive fuel.

[All such nations should share in the benefits of an assured supply of nuclear fuel,] even though the number and location of sensitive facilities to generate this fuel <sup>must be</sup> ~~is~~ limited to meet non-proliferation goals. The availability of diverse fuel cycle services



in several different nations can provide ample assurance to consumers of a continuing and stable source of supply.

[It is also desirable to continue studying the idea of a few suitably-sited multinational fuel cycle centers to serve regional needs, when effectively safeguarded and economically warranted. Through these and related means, we can minimize incentives for the spread of dangerous fuel cycle capabilities. We must continue to study this possibility.]

The United States will do its part to ensure that any country accepting responsible restraints on its nuclear power program with regard to enrichment, reprocessing and plutonium disposition will have an assured supply of nuclear fuel. To this end, I have

directed the Secretary of State [with regard to current US recipients, and in new agreements for cooperation,]

to offer binding letters of intent for the supply of nuclear fuel to countries <sup>-- current as well as prospective recipients --</sup> willing to accept such

responsible restraints. [These would be fulfilled] <sup>Such supply requirements will be met</sup> either by new government capacity or by private suppliers, [at our discretion] <sup>as may be determined.</sup>

The United States is now prepared to enter into negotiations or arrangements with consumer nations, <sup>that adopt responsible</sup> adapting restraints under which <sup>we would mutually agree on the</sup> they would ~~accord us~~ <sup>of</sup> rights of disposition <sup>of</sup> their

spent fuel, where appropriate and where it can demonstrably foster our non-proliferation objectives. In return,



these nations would be assured <sup>of</sup>  
 [of] either reimbursement <sup>or</sup> fresh, low-enriched fuel  
 of equivalent energy value. <sup>A primary objective of such</sup> [In any such] arrangement; [our  
 objective will <sup>would</sup> be to ensure against [any] economic  
 disadvantage to the cooperating nation.

In pursuing a program of assured fuel supply  
and fuel exchange, the United States seeks no commercial  
advantage ~~over other suppliers.~~ The program can and  
 will be administered [in a way which] <sup>to</sup> avoids unfair  
 advantage in the sale of reactors or related services.  
 At my direction, the Secretary of State will initiate  
 consultations; to explore arrangements for coordinating  
 such resources; and <sup>to</sup> developing [other means <sup>to</sup> of] ensuring  
 that suppliers <sup>can</sup> will be able to offer, and consumers <sup>can</sup>  
 [will be able to] receive an <sup>un</sup>interrupted and economical [supply  
 of non-sensitive nuclear fuel and fuel services.

[To reinforce] <sup>to</sup> these policies, we must <sup>be reinforced by</sup> develop means  
 to establish [international <sup>restraints</sup> control over the <sup>accumulation of</sup> plutonium,  
 [itself], whether in separated form or <sup>or</sup> [in] unprocessed  
 spent fuel. <sup>or</sup> The accumulation of plutonium under national  
 control is a major destabilizing influence and, as such,  
 a primary proliferation risk. <sup>Two,</sup>

The United States will, in the immediate future,  
pursue discussions aimed at [the] establishment <sup>of</sup> of a new  
international regime to provide for storage of excess  
civil plutonium and spent reactor fuel. I am directing



that [we vigorously pursue] this proposal which we made to the International Atomic Energy Agency and other interested nations last spring. *be vigorously pursued.*

Creation of such a regime will [greatly] strengthen world confidence that the [growing] accumulation of excess plutonium and spent fuel can be stored safely, pending reentry into the nuclear fuel cycle or other safe disposition. I urge the IAEA, which is empowered to establish such a depository, to give <sup>urgent consideration to this,</sup> [prompt implementation to this concept.]

Once a broadly representative IAEA storage regime is in operation, <sup>the United States will</sup> [we are prepared to] place our own excess civil plutonium and spent fuel under its control.

Moreover, we are prepared to consider providing a site for international storage under IAEA auspices.

The inspection system of the IAEA <sup>is</sup> [remains] a key element in our [entire] non-proliferation strategy. The world community must make sure that the Agency has the technical and human resources needed to keep pace with its expanding responsibilities.

I therefore have directed a major commitment of additional resources to the IAEA, and also <sup>for this purpose,</sup> a mobilization of our best scientific talent to support the Agency. <sup>America's</sup> Two of our principal national laboratories

*I have instructed*

*the Secretary of State to initiate discussions with the IAEA with a view to expanding their safeguards capabilities. I am prepared to make*



[have been directed] to provide assistance, on a continuing basis, to the IAEA Secretariat.

The terrible increase in violence and terrorism throughout the world has sharpened our awareness of the need to assure rigorous protection for sensitive nuclear materials and equipment. [Fortunately, the need to cope with this problem is now broadly recognized.] Many nations have responded to the initiatives which I have taken in this area by [materially] strengthening their physical security, and by cooperating in the development of international guidelines by the IAEA. <sup>for sensitive nuclear materials</sup> As a result of consultations among the major suppliers, provision for adequate [physical] security is becoming a normal condition of supply.

Steps are still, urgently needed, however, to upgrade physical security systems to meet international norms, and to assure [timely] international collaboration <sup>to supply</sup> [in the recovery of] lost or stolen materials. <sup>as a result,</sup> [On the basis of my review of nuclear policies,] I have directed that the United States <sup>will</sup> vigorously address the problem of physical security at both bilateral and multilateral levels, including exploration of a possible international convention.



*intend to send away effort to make this system*

The United States is prepared to embark with all its resources on development of the system of <sup>effective</sup> international controls <sup>works. But</sup> [that I have here outlined.] Even when complete, [however,] no system of controls [is *can* likely to] be <sup>fully</sup> effective, if a potential violator judges that his acquisition of a nuclear explosive will be received with indifference by the international community.

*Thus* Any material violation of a nuclear safeguards agreement -- especially the diversion of nuclear material for use in making explosives -- must be universally judged to be <sup>a grave</sup> [an extremely serious] affront to the world community, calling for the immediate imposition of drastic sanctions. I serve notice today that the United States will respond to violation by any nation of any safeguards agreement to which we are a party with, at a minimum, immediate cut off of our supply of nuclear fuel and cooperation to that

nation. <sup>And</sup> We <sup>will moreover</sup> consider further steps, not necessarily confined to the area of nuclear cooperation, against the violator nation. Nor will our actions be limited to violations of agreements in which we are directly involved. In the event of material violation of any safeguards agreement, particularly agreements with the

*any nation that violates a safeguards agreement to which we are a party*



IAEA, we will initiate immediate consultations with all interested nations, *aimed at achieving an appropriate and convincing international action.*

Universal recognition of the total unacceptability of the abrogation or violation of any non-proliferation agreements is one of the most important steps which can be taken to prevent further proliferation. We *call upon* [invite] all concerned governments to affirm publicly that they will regard nuclear wrongdoing as an intolerable violation of acceptable norms of international behavior, *and one* which *will* set in motion strong and immediate counter-measures.

Finally, the U.S. will continue to expand cooperative efforts with other countries in developing their indigenous energy resources.

~~and, the United States is placing increased emphasis on the development of non-nuclear sources of power.~~

*The US, in its world leadership role, has*  
We have proposed the establishment of an International Energy Institute, [specifically] designed to help developing countries match the most economic and readily available sources of energy to their power needs. In many cases, this source will be non-nuclear. Through this Institute and other appropriate means, we will offer technological assistance in the development of indigenous energy resources, ~~as an alternative to nuclear power.~~



National Export Policy

copy →

During the past two years, the United States has strengthened its own national nuclear export policies. Our interests, however, are not limited to controls alone. The United States has a special responsibility ~~as one of our obligations under the Nuclear Non-Proliferation Treaty,~~ to share the benefits of peaceful nuclear energy with non-nuclear countries. We have sought to serve other nations as a reliable supplier of nuclear fuel and equipment.

Given the choice between commercial benefits and progress toward our non-proliferation goals, we have given, and will continue to give, priority to non-proliferation. But there should be no incompatibility between non-proliferation and <sup>assisting other nations in</sup> ~~a vigorous export trade,~~ <sup>enjoying the benefits of peaceful nuclear power,</sup> if all supplier countries pursue common nuclear export

policy. There is need, however, for even more rigorous controls, and for policies that favor nations accepting responsible non-proliferation limitations. <sup>But we are aware, as well, of the need.</sup> [The United States will move in this direction.]

Thus, [On the basis of my recently completed study of nuclear policies] <sup>the United States</sup> I have decided that we will henceforth apply new criteria in judging whether to enter into new or expanded nuclear cooperation with a non-nuclear weapon state.



[These new criteria are:]

-- Adherence to the Non-Proliferation Treaty will be a <sup>by and</sup> strong positive <sup>in effect on basis of cooperation</sup> factor favoring cooperation.]

-- Nations that have not yet adhered to the Non-Proliferation Treaty will receive positive recognition if they are prepared to submit to full fuel cycle safeguards, pending adherence,

*We will favor* -- Recipient nations <sup>which undertake to</sup> prepared to forego, or postpone, <sup>in</sup> for a substantial period, the establishment of national reprocessing or enrichment activities or in certain cases, prepared to shape and schedule their reprocessing and enriching facilities to foster non-proliferation needs, will be favored.

*which undertake to* -- Positive recognition will also be given to <sup>We will favor recipient</sup> nations prepared to participate in an international storage regime, <sup>in</sup> under which excess fuel and any separated plutonium would be placed pending use.]

*On some* Exceptional cases may occur in which non-proliferation <sup>will</sup> best be served by cooperating with states not yet meeting these tests. However, I have decided to go beyond the requirement in present law which requires Presidential approval of all new agreements for nuclear cooperation with other nations. Henceforth, negotiation of any new agreement with a nation which does not now



meet these strict standards will not [even] be initiated without my personal approval in advance.

[The above criteria would provide the norm in negotiating all new or amended Agreements for Cooperation.]

9 I have [also] directed the Secretary of State to open discussions with [the] other nuclear suppliers <sup>in an effort</sup> to shape common guidelines [so that they] conform with these <sup>criteria</sup> [principles.] With respect to countries that <sup>are</sup> <sup>already</sup> current recipients <sup>of</sup> US nuclear supply, I am directing the Secretary of State to enter into negotiations <sup>aimed at</sup> [with the objective of] conforming these agreements to agreed <sup>estab.</sup> international guidelines, and to seek through diplomatic initiatives [to obtain] their acceptance of <sup>these</sup> [our new] criteria.

The reliability of American assurances to other nations is an asset that few, if any, nations of the world can match. It <sup>will</sup> [must] not be eroded in the nuclear,

[or any other,] area. [Indeed,] nothing could more prejudice our efforts [to strengthen our existing non-  
non-proliferation understandings] than arbitrary suspension or unwarranted delays in meeting supply commitments to countries which are dealing with us in good faith <sup>and employing</sup>

[regarding] effective safeguards and restraints. These <sup>are</sup> <sup>questions</sup> <sup>that</sup> <sup>cannot</sup> <sup>be</sup> <sup>subject</sup> <sup>to</sup> <sup>the</sup> <sup>process</sup> <sup>of</sup> <sup>lobbying</sup> <sup>before</sup> <sup>Special</sup> <sup>interest</sup> <sup>or</sup> <sup>causes</sup>. [importance of this principle requires that] <sup>Final</sup> authority over the licensing of nuclear exports [be]

*These are questions that cannot be subject to the process of lobbying before Special interest or causes.*



*must be*  
A returned to the President.

Despite intensive personal efforts on my part, the 94th Congress adjourned without passing ~~any~~ <sup>relevant</sup> nuclear export legislation which would have strengthened our effectiveness in dealing with other nations on nuclear matters. In the absence of such ~~legislation~~ <sup>legislation</sup>, I am directing the Secretary of State to work closely with the Nuclear Regulatory Commission to ~~increase~~ <sup>emphasize</sup> ~~emphasis~~ on non-proliferation concerns in the nuclear export licensing process.

I will continue to work with Congress to achieve improvements in our nuclear export laws, with due account for the need for broad-based multilateral support. ~~I welcome in particular the constructive proposals made by Senator Pastore, Congressman Anderson and Price, and their colleagues on the Joint Commission for Atomic Energy.~~ On the basis of their suggestions and my initiatives, I will work to develop bipartisan support for new legislation in this field during the next session of Congress.

Implications for Domestic Policy

*copy* → ~~We must not make the mistake of underestimating the current importance of nuclear energy to our national well-being. If there are security risks.~~

*We must increase the use of nuclear power to solve our own material well-being, and this can be done safely.*



~~associated with the use of nuclear energy, there would be risks almost as grave in abandoning this new energy source.~~

Our dependence on imported oil has risen 20 percent since 1973, largely due to the failure of Congress to act on my Administration's energy program. The dangers in this situation are obvious.

We must <sup>continue emphasizing energy</sup> achieve ~~more effective~~ conservation; <sup>we must</sup> and ~~wigorously~~ pursue development of solar energy and other new non-nuclear energy sources. Under my Administration, conservation research has more than quadrupled. Solar energy research has increased <sup>from \$15 million to \$116 million,</sup> 700 percent, and research <sup>also</sup> on other non-nuclear resources has been ~~correspondingly~~ <sup>substantially</sup> raised. ~~I am now recommending that we do even more.~~

But we must recognize that these new energy sources are in their infancy. No responsible scientific authority holds that they can significantly contribute to meeting our energy needs before <sup>2000,</sup> 1990, at the very earliest.

<sup>Thus,</sup> Nuclear energy <sup>to</sup> must fill much of the gap that remains. <sup>and coal, as well as further development of natural gas too necessary</sup>

~~The key question that remains in development of our domestic nuclear energy program is whether we can safely allow plutonium to be separated from used nuclear~~

~~fuel on a commercially exploitable scale. The development~~ <sup>nevertheless, nuclear power <sup>cannot</sup> must continue to expand in the U.S. regardless of whether plutonium recycle is approved now.</sup>



~~of nuclear energy is approaching a point at which~~  
~~this question must be definitively answered. We~~  
~~must not allow the answer to be reached by default.~~

Equally important, we must formulate a national nuclear policy *for this expansion of nuclear power* which is responsive to our non-proliferation concerns ~~and is not driven by narrow perceptions of domestic needs.~~ If we are to play a leading role in influencing global plutonium decisions, we must examine objectively the crucial issues related to reprocessing and seek to resolve the ~~many~~ uncertainties! ~~Only by so doing can we~~

~~keep faith not just with future generations of Americans, but with our friends and partners abroad~~

~~who will look to us to provide a credible justification~~  
*This is consistent with our request to other nations to refrain from reprocessing*

*directing the administrator of ERDA to develop*  
I am therefore authorizing an experimental

~~program to determine answers to the following questions~~

of interest to the United States and all nations pursuing nuclear power programs:

~~Whether safe means of reprocessing used nuclear fuel and disposing of the remaining waste can be developed;~~

~~whether means can be developed to provide adequate safeguards against the use of plutonium to manufacture nuclear weapons;~~

- to investigate and remove remaining uncertainties regarding the economics, safety and safeguarding of reprocessing and recycle facilities
- to provide from the demonstrated technologies now available a full scale waste repository by 1985



*to explore the feasibility of*  
-- ~~and whether~~ technological alternatives to reprocessing can be found.

<sup>it is to be</sup> [Consistent with] <sup>ask</sup> [asking] other supplier and consumer nations to join us in avoiding export of reprocessing technology, we will <sup>seek</sup> [explore means] to include [appropriate participation by] other nations in this experimental program, in <sup>such</sup> [such] a manner <sup>as</sup> [as] to support our non-proliferation objectives. [To ensure that this program serves non-proliferation objectives, taking into account the nuclear programs and policies of other,] I <sup>am</sup> [have] <sup>will</sup> [directed] the Secretary of State and the Administrator of ERDA to consult with the IAEA and with interested states <sup>and</sup> [before we finalize] <sup>in defining the</sup> ~~the procedure~~ scope and nature of our experimental effort.

The <sup>is</sup> experimental program will <sup>contribute to</sup> [fit into] the framework of <sup>our</sup> [our] recently approved safeguard arrangement with the IAEA, <sup>it will</sup> [serving] as a testing ground for the development and demonstration of techniques to [provide] safeguards against diversion of pure plutonium for use in nuclear weapons. In this <sup>second,</sup> [connection,] we will urge the IAEA to test and apply the most vigorous possible safeguards to <sup>the</sup> [the] experimental <sup>program</sup> ~~facility itself~~. Finally, this experimental program will [serve to effectively] complement the ongoing Nuclear Regulatory Commission proceedings concerning the wide-scale use of mixed oxide fuel in nuclear reactors.



The decision I have made today does not effect <sup>cancel</sup> the U.S. <sup>cancel</sup> program of research and development on the breeder reactor. That program assumes that no decision on the commercial operations of breeder reactors, which require plutonium fuel, will be made before 1986.

~~The lead time for the development of complex technologies in the nuclear field is prolonged.~~

The experimental program that <sup>ERDA will develop</sup> ~~I am authorizing~~ will provide the knowledge of reprocessing that will be needed to <sup>make</sup> ~~go~~ <sup>a sound decision</sup> ~~ahead with the breeder, if the responsible authorities at that time in the future should decide that years from now to do so.~~

*reactors on breeder*

~~On the basis of the study of nuclear policy recently conducted by my Administration, I have quadrupled the budget for our program to dispose of nuclear waste.~~

We expect to demonstrate a complete depository for such waste by 1985. I have recently directed, however, a speed-up of the program to demonstrate the components of waste disposal technology by the end of 1978. I have also directed that the first demonstration depository be submitted for licensing by the Nuclear Regulatory Commission to assure its safety and acceptability to the public.

*Recognizing the critical importance of environmentally sound sound long term disposal of radioactive wastes, my administration has already moved to provide an effective program to assure this and my FY 1977 Budget*



Consistent with my decision that reprocessing is no longer to be viewed as inevitable, I am directing today that the waste disposal program include careful study of the feasibility of long-term storage of spent fuel that has not been reprocessed.

\* \* \* \* \*

The challenge of nuclear proliferation demands candor. It can [perhaps be managed] -- but only partially and temporarily by technical measures. It can [only] be solved, however, if all of us face the problem realistically. <sup>And</sup> These realities are fundamentally political; <sup>thus require</sup> relating to the determination and foresight of leaders in resisting perceived short-term advantages in favor of fundamental long-term gains. We <sup>ask upon</sup> [ask] all leaders to ~~see~~ <sup>recognize</sup> that their individual and collective interests are best served by internationally assured and safeguarded nuclear fuel supply, services and storage. We ask them to turn aside from pursuing nuclear capabilities which are of doubtful economic value and have ominous implications for nuclear proliferation and instability in the world.

The record to date is <sup>is</sup> not perfect. The broad consensus against the acquisition of nuclear weapons is a source of encouragement, but it is certainly not a basis for complacency.



I do not underestimate the scope and complexity of the challenge and the program I have just put forward to meet it. Success depends on an extraordinary coordination of the policies of all nations toward the common good. The US is prepared to lead, but we cannot succeed alone. If nations can work together constructively and cooperatively to manage our common nuclear problems we will enhance our collective security. And we will be better able to concentrate our energies and our resources on the great tasks of construction rather than consume them in increasingly <sup>dangerous</sup> destructive rivalry.

