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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

January 15, 1975

MEMORANDUM FOR

The Secretary of Defense
The Attorney General
The Secretary of Commerce
The Director, Office of Management and Budget
The Deputy Secretary of State
The Director, Arms Control and Disarmament Agency
The Director of Central Intelligence
The Chairman, Atomic Energy Commission
The Executive Director, Council on International
Economic Policy

SUBJECT: Presidential Report to Congress Regarding
Nuclear Safeguards and the Export of
Nuclear Technology and Materials

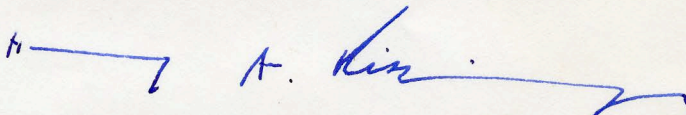
The Export Administration Act Amendments of 1974 include the following
Section:

"Sec. 14. The President is directed to review all laws, regulations issued thereunder by the Atomic Energy Commission, the Department of Commerce, and other Government agencies, governing the export and re-export of materials, supplies, articles, technical data or other information relating to the design, fabrication, development, supply, repair or replacement of any nuclear facility or any part thereof, and to report within six months to the Congress on the adequacy of such regulations to prevent the proliferation of nuclear capability for nonpeaceful purposes. The President is also directed to review domestic and international nuclear safeguards and to report within six months to the Congress on the adequacy of such safeguards to prevent the proliferation, diversion or theft of all such nuclear materials and on efforts by the United States and other countries to strengthen international nuclear safeguards in anticipation of the Review Conference scheduled to be held in February 1975 pursuant to Article VIII, section 3 of the Treaty on the Non-Proliferation of Nuclear Weapons."

The President has requested the Atomic Energy Commission to prepare the reports specified in Section 14 and to coordinate them with the other addressees listed above. The President has directed that the Energy Research and Development Agency (ERDA) assume responsibility for preparation of the reports when that agency comes into being and that it also seek the views of the Nuclear Regulatory Agency in regard to adequacy of domestic safeguards.

The reports should draw upon the studies conducted in connection with NSDM 235 and 255, NSSM 202, and other policies and plans relating to domestic and international safeguards and the prevention of nuclear proliferation.

These reports should be forwarded to the President before March 31, 1975.

A handwritten signature in blue ink, appearing to read "H. A. Kissinger". The signature is stylized with a long horizontal stroke at the end.

Henry A. Kissinger

cc: William A. Anders, Chairman-designate, Nuclear Regulatory Commission

Robert Seamans, Administrator-designate, Energy Research & Development Agency

NIXON PRESIDENTIAL MATERIALS PROJECT
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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR: THE PRESIDENT

FROM: HENRY A. KISSINGER

SUBJECT: Report to Congress Regarding Nuclear Safeguards and the Export of Nuclear Technology and Materials

The 1974 Export Administration Act requires that you report to Congress before April 30, 1975, on the adequacy of U. S. regulations and domestic and international safeguards in preventing nuclear proliferation or theft (Tab B).

The AEC (and ERDA and the NRC which will succeed it) is prepared to assemble the reports in coordination with other interested agencies. The directive at Tab A requests such action.

RECOMMENDATION

That you approve the issuance of the memorandum at Tab A directing the preparation of the required reports to Congress on nuclear safeguards.

APPROVE BAK/GKF DISAPPROVE _____

MEMORANDUM

ACTION - 237

TAB I rechecked

NATIONAL SECURITY COUNCIL

January 13, 1975

MEMORANDUM FOR: SECRETARY KISSINGER

FROM: DAVID D. ELLIOTT *D.E.*

SUBJECT: Presidential Report to Congress Regarding
Nuclear Safeguards and the Export of
Nuclear Technology and Materials

The 1974 Export Administration Act requires the President to report to Congress before April 30, 1975, on the adequacy of U.S. regulations and domestic and international safeguards in preventing nuclear proliferation or theft (Tab B).

The AEC is prepared to assemble the reports in coordination with other interested agencies, but needs a directive from the Executive Office indicating that is how the President wants the matter pursued.

Because of the national security and foreign policy aspects to the requested reports, and our involvement in this issue through NSDM 235, 254, and 255 and NSSM 202, the NSC is the appropriate mechanism to obtain the Presidential directive, and to request and receive the reports from the AEC. OMB and CIEP agree.

The memorandum to the President (Tab I) requests his approval to the study directive (Tab A).

Dick Kennedy concurs.

RECOMMENDATION:

1. That you initial the memorandum to the President (Tab I).
2. If he approves, that you sign the study directive (Tab A).

"Sec. 14. The President is directed to review all laws, regulations issued thereunder by the Atomic Energy Commission, the Department of Commerce, and other Government agencies, governing the export and re-export of materials, supplies, articles, technical data or other information relating to the design, fabrication, development, supply, repair or replacement of any nuclear facility or any part thereof, and to report within six months to the Congress on the adequacy of such regulations to prevent the proliferation of nuclear capability for nonpeaceful purposes. The President is also directed to review domestic and international nuclear safeguards and to report within six months to the Congress on the adequacy of such safeguards to prevent the proliferation, diversion or theft of all such nuclear materials and on efforts by the United States and other countries to strengthen international nuclear safeguards in anticipation of the Review Conference scheduled to be held in February 1975 pursuant to Article VIII, section 3 of the Treaty on the Non-Proliferation of Nuclear Weapons."

MEMORANDUM FOR: THE PRESIDENT

FROM: HENRY A. KISSINGER

SUBJECT: Report to Congress Regarding Nuclear Safeguards and the Export of Nuclear Technology and Materials

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The AEC (and ERDA and the NRC which will succeed it) is prepared to assemble the reports in coordination with other interested agencies. The directive at Tab A requests such action.

RECOMMENDATION

That you approve the issuance of the memorandum at Tab A directing the preparation of the required reports to Congress on nuclear safeguards.

APPROVE _____

DISAPPROVE _____

Gen S:wgh:14 Jan 75 (retyped)

MEMORANDUM FOR: THE PRESIDENT

FROM: HENRY A. KISSINGER

SUBJECT: Report to Congress Regarding Nuclear Safeguards and the Export of Nuclear Technology and Materials

The 1974 Export Administration Act requires that you report to Congress before April 30, 1975, on the adequacy of U. S. regulations and domestic and international safeguards in preventing nuclear proliferation or theft (Tab B).

The AEC (and ERDA and the NRC which will succeed it) is prepared to assemble the reports in coordination with other interested agencies. The directive at Tab A requests such action.

RECOMMENDATION

That you approve the issuance of the memorandum at Tab A directing the preparation of the required reports to Congress on nuclear safeguards.

APPROVE _____

DISAPPROVE _____

Gen S:wgh:14 Jan 75 (retyped)

NSC CORRESPONDENCE PROFILE

DOC		RECD		LOG NBR		INITIAL ACTION O
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SOURCE/CLASS/DESCRIPTION

TO: PRES _____ FROM: KISSINGER, H _____ S/S _____ **UNCLAS** LOG IN/OUT

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SUBJECT: *Presidential Report to Congress re Nuclear Safeguards & the Export of Nuclear Technology & Materials*

DISTRIBUTION/INITIAL ACTION ASGMT

INTERNAL ROUTING AND DISTRIBUTION			REC CY FOR	ACTION REQUIRED
	ACTION	INFO		
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SUB-SAHARAN AFRICA				APPROPRIATE ACTION
MID EAST / NO. AFRICA / SO. ASIA				MEMO _____ TO _____
EUROPE / CANADA				RECOMMENDATIONS
LATIN AMERICA				JOINT MEMO
UNITED NATIONS				REFER TO _____ FOR: _____
ECONOMIC			X	ANY ACTION NECESSARY?
SCIENTIFIC			X	CONCURRENCE
PROGRAM ANALYSIS			X	DUE DATE: _____
NSC PLANNING		X	X	COMMENTS: (INCLUDING SPECIAL INSTRUCTIONS) <i>NSDM 235, 254, 255</i> <i>ASSM 202</i>
CONGRESSIONAL				
OCEANS POLICY				
INTELLIGENCE			X	
<i>Index</i>				

SUBSEQUENT ROUTING/ACTIONS

DATE	FROM	TO	S	SUBSEQUENT ACTION REQUIRED (OR TAKEN):	CY TO
1/13		HAK	X	<i>Res for decision 1-20</i>	
1/15/75		NBC15		<i>BS for HK for GF (SCN document)</i>	
1/15				<i>BS for HK for GF (approved) Kern</i>	
1/15				<i>1/15/75</i>	
1/15		DAVIS	S	<i>Review & distribution 1-16</i>	
1/15			C	<i>HAK, sgd Mem to Agencies</i>	
1/15				<i>distributed by IL</i>	

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NSDM 255

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UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY

January 3, 1975

also put in DM 295
cc in SM 202 folders

OFFICE OF THE DIRECTOR

MEMORANDUM FOR THE ASSISTANT TO THE PRESIDENT FOR NATIONAL SECURITY AFFAIRS

SUBJECT: ACDA Recommendations on U.S. Enrichment Policy

ACDA was requested by an NSC Memorandum dated December 19 to submit its comments and recommendations on the interagency study U.S. Policy on Enriched Uranium prepared in response to NSSM 209 and on the earlier drafts submitted by AEC and State. This study, in contrast to earlier drafts, does reflect a heightened awareness of the foreign policy, non-proliferation, balance of payments, and international energy aspects of the decisions facing the U.S. in the area of future enrichment policy. The discussions and the range of options now proposed for consideration should provide an adequate basis for a decision on this important problem.

ACDA's views on the serious impact on our non-proliferation efforts of our past enrichment policy as well as the consequences of further delay in the U.S. commitment to the 4th and 5th major increments of enrichment capacity were outlined in our Memorandum to you of November 25. In view of the urgent need to resolve at an early date the present uncertainty surrounding the U.S. enrichment policy, ACDA believes that the non-proliferation interests of the United States would be best served by a modified version of option "b", proposed in the interagency's study, i.e.

"Defer private entry and obtain authorization for government construction of, at least, the next two enrichment plants."

The decision on the timing and technologies to be used should be based on a comprehensive and updated review by AEC of the projected supply and demand for enriched uranium. ACDA does not believe that a decision on the ultimate role

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of private ownership need necessarily be made at this time so long as our ability to continue international cooperation in uranium enrichment is not forced to await that decision.

This recommendation would permit the U.S. Government to take at the earliest possible time those actions necessary to assure both domestic and foreign customers of a reliable and continuous supply of enriched uranium. Most important, it would be fully responsive to our foreign policy requirements. For example, it would permit prompt implementation of the currently stalled NSDM 255 recommendation to initiate consultations aimed at encouraging, where appropriate, the construction of multi-national reprocessing and enrichment plants. Furthermore, it would be possible to apply the recommendations of the NSSM 202 study, if approved, to strengthen the NPT by implementation of the preferential treatment feature of Article IV of the Treaty. The ability of the U.S. to influence the application of effective safeguards and to control the spread of enrichment technologies among the non-nuclear weapon states would be significantly enhanced.

The U.S. efforts to influence enrichment developments abroad by encouraging multi-national enrichment plants, effective export agreements, improved safeguards, and controlled sharing of enrichment technology will continue to erode unless the United States is prepared in the near future to build the next major increment of enrichment capacity.

Fred C. Ikle

Fred C. Ikle

SECRET



DEPARTMENT OF STATE

Washington, D.C. 20520

3678
S/S-7416015

3678

August 26, 1974

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MEMORANDUM FOR MAJOR GENERAL BRENT SCOWCROFT
THE WHITE HOUSE

Subject: Proposed NSSM on Additional
Uranium Enrichment Capacity

Unless construction starts soon on new capacity for enriching uranium, we face the unacceptable consequence in the 1980s of a shortage of nuclear fuel. Key decisions on this matter are expected by and needed no later than the end of the year. Although Administration support for private industry ownership and management of the next increment of uranium enrichment capacity remains unabated, there are now strong indications that industry may not be able to muster the necessary resources, including financing, in time to bring this fourth plant into being on schedule. This unhappy possibility points to the complete absence of USG planning to meet such a contingency.

The enclosed draft NSSM is intended to remedy this deficiency. The Secretary has expressed the opinion that this question should be put into urgent discussion through NSC channels, so we suggest that the termination date for the proposed study be November 1, 1974, in order to allow adequate time for discussion of this complex problem at NSC and Cabinet level prior to the end of the year.

George S. Springsteen
George S. Springsteen
Executive Secretary

Enclosure:

Draft NSSM re Contingency Plans for
Providing Additional Uranium Enrichment Capacity

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NATIONAL SECURITY STUDY MEMORANDUM _____

TO: The Secretary of the Treasury
 The Secretary of Defense
 The Secretary of Commerce
 The Deputy Secretary of State
 The Director of Central Intelligence
 The Chairman, Atomic Energy Commission
 The Director, Federal Energy Agency
 The Executive Director, Council on
 International Economic Policy

SUBJECT: Contingency Plans for Providing Additional
 Uranium Enrichment Capacity

The President has affirmed the previously existing policy to encourage private entry in the uranium enrichment field.

However, in the event that private entry should not prove feasible on a schedule or under conditions consistent with the need for additional uranium enrichment capacity, the President wishes to be advised of the principal alternatives which should be considered and the arguments for and against these alternatives.

Accordingly, taking into account both the domestic importance of assuring adequate enriching

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capacity and our continuing role as a world supplier of enriched uranium, the President has requested that a study be prepared of such approaches as the following:

- Provision of additional enriching capacity by the Atomic Energy Commission or a successor government agency;
- establishment of a government corporation;
- establishment of a public (or public-private) corporation;
- other approaches which may represent significant alternatives to the foregoing.

The study should take into account:

- domestic requirements and domestic economic implications;
- foreign policy and national security implications;
- financial and managerial implications;
- Congressional attitudes and the possible need for legislation;

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-- implications for subsequent transition
to private ownership and operation.

The study should be prepared by an ad hoc
group chaired by the Department of State and
including representatives of the addressees, and
should be reviewed by the NSC Under Secretaries
Committee prior to submission to the President.

The study should be submitted to the White
House by _____.

cc: The Chairman, Joint Chiefs of Staff
The Counsellor to the President for
Economic Policy
The Director, Office of Management
and Budget

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SOURCE/CLASS/DESCRIPTION

TO: PRES _____ FROM: KISSINGER, H _____ S/S 7416015 REFERENCE: _____ CIRCLE AS APPROPRIATE

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SUBJECT: Proposed NSSM on additional Uranium enrichment Capacity

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STAFF SECRETARY			<u>X</u>		MEMO FOR PRES (<u>X</u>)
FAR EAST					REPLY FOR _____ ()
SUB-SAHARAN AFRICA					APPROPRIATE ACTION ()
MID EAST / NO. AFRICA / SO. ASIA					MEMO _____ TO _____ ()
EUROPE / CANADA					RECOMMENDATIONS ()
LATIN AMERICA					JOINT MEMO ()
UNITED NATIONS					REFER TO _____ FOR: _____ ()
ECONOMIC		<u>X</u>			ANY ACTION NECESSARY? ()
SCIENTIFIC					CONCURRENCE ()
PROGRAM ANALYSIS			<u>X</u>		DUE DATE: <u>9/08</u>
NSC PLANNING			<u>X</u>		COMMENTS: (INCLUDING SPECIAL INSTRUCTIONS) <u>8-29-74</u>
CONGRESSIONAL					<u>Action on this package was subsumed under X-3704. No further action required on this package. D.E.</u>
OCEANS POLICY					
INTELLIGENCE					

SUBSEQUENT ROUTING/ACTIONS

DATE	FROM	TO	S	SUBSEQUENT ACTION REQUIRED (OR TAKEN):	CY TO
<u>8/29</u>			<u>e</u>	<u>See 7403704 for Action file</u>	

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