The original documents are located in Box C35, folder "Presidential Handwriting, 2/25/1976" of the Presidential Handwriting File at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Gerald Ford donated to the United States of America his copyrights in all of his unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

February 25, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

BRENT SCOWCROFT

FROM:

JAMES E. CONNOR

SUBJECT:

Voluntary U.S. Contribution to the International Atomic Energy Agency (IAEA) -- Possible Energy Message Item

The President reviewed your memorandum of February 23 on the above subject and made the following decisions:

"Approve the proposal"

"Propose a \$1 million amendment in the foreign aid budget request."

Please follow-up with appropriate action.

cc: Dick Cheney
Jim Lynn

February 24, 1976

MR PRESIDENT:

Voluntary U.S. Contribution to the International Atomic Energy Agency (IAEA) - Possible Energy Message Item

The attached memorandum was staffed to Messrs. Friedersdorf, Marsh and Zarb.

Max Friedersdorf and Jack Marsh -- concur and support OMB on financing.

Frank Zarb - concurs with the proposal and recommends \$1 million amendment.

Jim Connor

WASHINGTON

February 23, 1976

MEMORANDUM FOR:

THE PRESIDENT

FROM:

BRENT SCOWCROFT

SUBJECT:

Voluntary U.S. Contribution to the International

Atomic Energy Agency (IAEA) -- Possible

Energy Message Item

ISSUES

1. Whether to propose a voluntary U.S. in-kind contribution of \$5 million to the IAEA over the next five years to strengthen that organization's safeguards system, thereby demonstrating the importance that the U.S. attaches to that organization as a means of preventing the diversion of nuclear materials and the proliferation of nuclear weapons capability.

2. Whether to absorb the \$1 million needed for 1977 within the current budget request for contributions to international organizations or to seek a budget amendment for an additional \$1 million.

BACKGROUND

Concern is growing in the Congress and the public about the potential diversion of nuclear materials from commercial nuclear power programs as more nations acquire nuclear power facilities. This concern is being expressed in congressional hearings and in proposed legislation that would sharply limit U.S. exports of nuclear materials and technology. Such unilateral action would be ineffective, however, since several other nations now have nuclear materials export capabilities. Thus, the problem can only be resolved multilaterally.

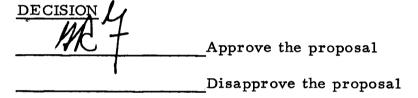
Under the Nuclear Non-Proliferation Treaty, IAEA oversees the accounting of nuclear materials in signatory nations to detect diversion. However, the IAEA task is becoming increasingly formidable as more nations utilize nuclear energy. IAEA's current safeguards budget is not sufficient to meet growing needs for inspectors and to deal with new issues of physical security and monitoring.

1. THE PROPOSAL

As one means of strengthening IAEA's safeguards system, ERDA, State and ACDA staff have recommended that the United States announce its intention to contribute up to \$5 million in-kind over the next five years to provide more training of inspection personnel, more research and development of improved data and techniques, the services of expert consultants and specialized equipment. Other countries would also be encouraged to make additional contributions. If you approve the proposal, it could be announced in your energy message along with other actions and proposals concerned with nuclear energy.

RECOMMENDATION

The proposal has been reviewed by OMB, NSC, and the Domestic Council and all recommend your approval.



2. THE FINANCING

If you approve the proposal, OMB recommends that the \$1 million 1977 requirement be financed by reprogramming within the \$178 million foreign aid appropriation for voluntary contributions to international organizations. OMB believes that a small \$1 million amendment to the sizeable 1977 foreign aid budget request is not appropriate especially in view of the restrictive 1977 budget policy. This would not preclude seeking a special \$5 million authorization, not appropriation, for this new initiative, if it were determined advisable to seek specific congressional support for the proposal. Subsequent 1978 and later appropriations could be included in the budgets for those years as necessary.

The State Department believes an amendment seeking \$1 million additional for 1977 is necessary. If the \$1 million were to be absorbed, it would probably have to come from our proposed \$100 million pledge to the UN Development Program, which has much more support from developing countries than IAEA safeguards activity. Furthermore, the Department believes that a request for an additional amount is

needed to make this new initiative credible in the Congress and to achieve more visibility for your non-proliferation position. The Senate has already passed a \$1 million 1976 appropriation authorization for this purpose, indicating some Congressional support for increased funding.

DECISION

__ Absorb the \$1 million. (OMB recommendation)

Propose a \$1 million amendment in the foreign aid budget request. (State recommendation which I support)

The Domestic Council and ERDA do not have a position on this budget issue. ACDA thinks the increased visibility of a special budget request is worthwhile but is basically neutral on the budgetary question.

February 25, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

- BRENT SCOWCROFT

FROM:

JAMES E. CONNOR

SUBJECT:

Voluntary U.S. Contribution to the International Atomic Energy Agency (IAEA) -- Possible Energy Message Item

The President reviewed your memorandum of February 23 on the above subject and made the following decisions:

"Approve the proposal"

"Propose a \$1 million amendment in the foreign aid budget request."

Please follow-up with appropriate action.

cc: Dick Cheney
Jim Lynn

February 24, 1976

MR PRESIDENT:

Voluntary U.S. Contribution to the International Atomic Energy Agency (IAEA) - Possible Energy Message Item

The attached memorandum was staffed to Messrs. Friedersdorf, Marsh and Zarb.

Max Friedersdorf and Jack Marsh -- concur and support OMB on financing.

Frank Zarb - concurs with the proposal and recommends \$1 million amendment.

Jim Connor

WASHINGTON

February 23, 1976

MEMORANDUM FOR:

THE PRESIDENT

FROM:

BRENT SCOWCROFT

SUBJECT:

Voluntary U.S. Contribution to the International

Atomic Energy Agency (IAEA) -- Possible

Energy Message Item

ISSUES

1. Whether to propose a voluntary U.S. in-kind contribution of \$5 million to the IAEA over the next five years to strengthen that organization's safeguards system, thereby demonstrating the importance that the U.S. attaches to that organization as a means of preventing the diversion of nuclear materials and the proliferation of nuclear weapons capability.

2. Whether to absorb the \$1 million needed for 1977 within the current budget request for contributions to international organizations or to seek a budget amendment for an additional \$1 million.

BACKGROUND

Concern is growing in the Congress and the public about the potential diversion of nuclear materials from commercial nuclear power programs as more nations acquire nuclear power facilities. This concern is being expressed in congressional hearings and in proposed legislation that would sharply limit U.S. exports of nuclear materials and technology. Such unilateral action would be ineffective, however, since several other nations now have nuclear materials export capabilities. Thus, the problem can only be resolved multilaterally.

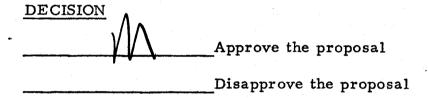
Under the Nuclear Non-Proliferation Treaty, IAEA oversees the accounting of nuclear materials in signatory nations to detect diversion. However, the IAEA task is becoming increasingly formidable as more nations utilize nuclear energy. IAEA's current safeguards budget is not sufficient to meet growing needs for inspectors and to deal with new issues of physical security and monitoring.

. THE PROPOSAL

As one means of strengthening IAEA's safeguards system, ERDA, State and ACDA staff have recommended that the United States announce its intention to contribute up to \$5 million in-kind over the next five years to provide more training of inspection personnel, more research and development of improved data and techniques, the services of expert consultants and specialized equipment. Other countries would also be encouraged to make additional contributions. If you approve the proposal, it could be announced in your energy message along with other actions and proposals concerned with nuclear energy.

RECOMMENDATION

The proposal has been reviewed by OMB, NSC, and the Domestic Council and all recommend your approval.



2. THE FINANCING

If you approve the proposal, OMB recommends that the \$1 million 1977 requirement be financed by reprogramming within the \$178 million foreign aid appropriation for voluntary contributions to international organizations. OMB believes that a small \$1 million amendment to the sizeable 1977 foreign aid budget request is not appropriate especially in view of the restrictive 1977 budget policy. This would not preclude seeking a special \$5 million authorization, not appropriation, for this new initiative, if it were determined advisable to seek specific congressional support for the proposal. Subsequent 1978 and later appropriations could be included in the budgets for those years as necessary.

The State Department believes an amendment seeking \$1 million additional for 1977 is necessary. If the \$1 million were to be absorbed, it would probably have to come from our proposed \$100 million pledge to the UN Development Program, which has much more support from developing countries than IAEA safeguards activity. Furthermore, the Department believes that a request for an additional amount is

needed to make this new initiative credible in the Congress and to achieve more visibility for your non-proliferation position. The Senate has already passed a \$1 million 1976 appropriation authorization for this purpose, indicating some Congressional support for increased funding.

DECISION A	•	
	_ Absorb the \$1 million.	(OMB recommendation)
		nendment in the foreign aid recommendation which I support)

The Domestic Council and ERDA do not have a position on this budget issue. ACDA thinks the increased visibility of a special budget request is worthwhile but is basically neutral on the budgetary question.

ACTION MEMORANDUM

WASHINGTON

LOG NO .:

Daie: - February 23, 1976

Time:

FOR ACTION:

cc (for information):

Max Friedersdorf

/Jack Marsh Frank Zarb

FROM THE STAFF SECRETARY

DUE: Date:

Tuesday, February 24

Time:

3 P.M.

SUBJECT:

Brent Scowcroft memo 2/23/76 re: Voluntary U.S. Contribution to the International Atomic Energy Agency (CAEA) Possible Energy Message Item

ACTION REQUESTED:

For Necessary Action

X For Your Recommendations

Prepare Agenda and Brief

Draft Reply

X For Your Comments

Draft Remarks

REMARKS:

March - Conserv + support om B on

A quick turn-around has been requested on this item in order to include it in the Energy Message - if approved.

Friedersderf - Concurs

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate of delay in submitting the required material, please James E. Connor telephone the Staff Secretary immediately.

For the President

MEMORANDUM OF CALL	· .	
TO:		
YOU WERE CALLED BY-	YOU WERE VISITED BY-	
Janed	Hanes)	
OF (Organization)	darb =	_
PLEASE CALL PI-	JE NO. DE/EXT.	
WILL CALL KGAIN	IS WAITING TO SEE YOU	•
RETURNED YOUR CALL	WISHES AN APPOINTMENT	
MESSAGE		_
B.S	medano.	
#1 Propa	esal	
4291 m	ellon	
amen	dnew	
RECEIVED BY	DATE TIME	
STANDARD FORM 63 REVISED AUGUST 1967	: 1969	108

ACTION MEMO	ORANDUM v	WASHINGT	TON	LOG NO.:	FEB 24 1976
Date: Feb	ruary 23, 1976		Time:	110	1. 2/04
FROM THE ST	rsdorf		cc (for inform		3.00
DUE: Date:	Tuesday, Februar	ry 24	Time	: 3 P.M.	
SUBJECT:					
	Brent Scowcros Voluntary U.S. Atomic Energy Message	Contr. Agenc	ibution to the	International	
ACTION REQU	JESTED:				
For N	lecessary Action		X For Your	Recommendati	ons
Prepo	are Agenda and Brief		Draft Rep	oly	
X For Y	our Comments		Draft Rer	narks	
REMARKS:					• • • • • • • • • • • • • • • • • • •
	A quick turn-ar in order to incl.		-		

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTA

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

