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THE WHITE HOUSE
WASHINGTON

February 25, 1976

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

BRENT SCOWCROFT

FROM:

JAMES E. CONNOR *JEC*

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

THE WHITE HOUSE
WASHINGTON

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

THE WHITE HOUSE

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.

DECISION

MC 4 Approve the proposal

Disapprove the proposal

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

<u> </u>	Absorb the \$1 million. (OMB recommendation)
<u> </u>	Propose a \$1 million amendment in the foreign aid
<u> </u>	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.

THE WHITE HOUSE

WASHINGTON

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STAFFING

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: 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 (IAEA) Possible Energy
Message Item

ACTION REQUESTED:

☐ For Necessary Action☒ For Your Recommendations☐ Prepare Agenda and Brief☐ Draft Reply☒ For Your Comments☐ Draft Remarks

REMARKS:

*Marsh - Concur + support OMB on
financing x*

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

Friedersdorf - Concur

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

James E. Connor
For the President

MEMORANDUM
OF CALL

TO:

☐ YOU WERE CALLED BY— ☐ YOU WERE VISITED BY—

Daniel Hanes
OF (Organization)

for Zarb
☐ PLEASE CALL ☐ PHONE NO. CODE/EXT.

☐ WILL CALL AGAIN ☐ IS WAITING TO SEE YOU

☐ RETURNED YOUR CALL ☐ WISHES AN APPOINTMENT

MESSAGE

B. S. Apperson
#1 Proposal
#2 \$1 million
amendment

RECEIVED BY

DATE

TIME

STANDARD FORM 63
REVISED AUGUST 1967
GSA FPMR (41 CFR) 101-11.6

GPO : 1969-048-16-80341-1 323-889

63-108

FEB 24 1976

Date: February 23, 1976

Time:

*dec. 2/24
3:00*

FOR ACTION:

Max Friedersdorf

Jack Marsh

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REMARKS:

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in order to include it in the Energy Message - if approved.

*Concur
and support
OMB on
primary
JM*

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

James E. Connor
For the President