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DECISIONTHE WHITE HOUSE  
WASHINGTON

[Sept. 1976?]

MEMORANDUM FOR: THE PRESIDENT

FROM: JIM CANNON JIM LYNN L.  
BRENT SCOWCROFT

SUBJECT: NON-PROLIFERATION AND NUCLEAR  
FUEL LEGISLATION

When you met with Senator Percy and others on September 17, you stated that you would urge Senator Baker to remove his hold from the Senate non-proliferation bill if (a) the NFAA was scheduled for Senate action under a time agreement, and (b) an acceptable non-proliferation bill was negotiated.

NON-PROLIFERATION

Bob Fri believes he has reached agreement with Percy on a reasonable bill. Detailed language must be worked out and Senator Percy must sell the compromise to his colleagues.

Senator Baker is maintaining his hold, but indicates he will be guided by your wishes. Senator Percy may attempt to bring up his compromise next week. Even if it passes the Senate, it is unlikely to pass the House.

Anderson and Price have introduced their non-proliferation bill (H.R. 15419) -- which ERDA and State believe is acceptable -- but there is no chance that it will be taken up by the House.

NUCLEAR FUEL ASSURANCE ACT

- Senate Outlook. Today, the NFAA was put on the Senate calendar for next week but the opponents probably will try to table it again. Estimate of those opposed now ranges from three to six (Proxmire, Clark, Durkin, McGovern, Abourezk and Glenn). Senator Percy insists that it is not possible to move the NFAA. Industry and labor supporters of the bill are focusing their attention on 27 democratic Senators who are known to

support the bill -- with the objective of getting Senator Byrd to debate the bill even though there is opposition. Industry and labor supporters are contending that Glenn, Abourezk, and McGovern have or will remove their "holds."

- . Percy Compromise. Senator Percy has proposed a compromise approach to uranium enrichment:

- 1) Dropping the NFAA as it passed the House;
- 2) Add to his non-proliferation bill, language to:
  - Authorize the Portsmouth plant;
  - Authorize you to submit a detailed plan for encouraging the private uranium enrichment industry, "including a discussion of specific terms" of proposed cooperative agreements with private firms. The plan would be referred to the JCAE and that Committee would have 60 days to give its views and recommendations to each House of Congress together with legislation to implement their recommendations. (Bob Fri believes this would permit proposing contracts and authorizing legislation at the same time as the plan.)

Fri has proposed, but Percy has not accepted, a further clause that requires an up or down vote on the JCAE recommendations within 30 legislative days. Fri believes Percy would push for this clause if you insisted it is necessary.

Except for the disputed clause, the compromise provides no new authority. Specifically, authority for Portsmouth will be provided in the ERDA Authorization Bill even without the NFAA and you can submit reports, plans, proposed contracts and draft legislation anytime.

#### ALTERNATIVES

There are three principal alternatives available for your consideration:

- . Alt #1. Hold to the proposal you presented to Senator Percy and others on September 17, that you would urge Senator Baker to remove his hold if (a) the NFAA was scheduled for Senate floor action under a time agreement, and (b) non-proliferation legislation acceptable to you was negotiated with Senator Percy and others.

- Principal arguments for this approach are that:
  - (a) it is a logical position in that U.S. ability to get other nations to accept our non-proliferation goals depends upon our reliability as a supplier of uranium enrichment services; and (b) it is consistent with the position you presented to Senator Percy and others.
- Principal argument against this approach is that you will be open to the charge of obstructing non-proliferation legislation and you may not get the NFAA anyway.
- . Alt. #2. Endorse the Percy compromise approach which adds some kind of uranium enrichment provisions to the non-proliferation bill.
  - Principal arguments for this approach are that:
    - (a) you would be postured in favor of non-proliferation legislation and willing to compromise or give in on uranium enrichment,
    - (b) it ties non-proliferation and at least some reference to private uranium enrichment together, and (c) it may be the only chance of getting any Senate legislation referring to uranium enrichment this session.
  - Principal arguments against this approach are that: (a) it would remove all possibility of getting a vote next week on NFAA, and (b) depending upon the language on uranium enrichment that is added to the non-proliferation bill, the result may be less acceptable than merely accepting defeat of the NFAA for this session and submitting a new proposal in January.
- . Alt. #3. Accept the non-proliferation legislation without any provision for uranium enrichment, urge Senator Baker to remove his hold, and let the NFAA live or die this session separately from non-proliferation.
  - Principal arguments for this approach are that it (a) postures you in favor of non-proliferation legislation, (b) leaves options open on uranium enrichment for next session, and (c) puts the Senate, at least, on record as to appropriate nuclear export criteria -- a move that may head off NRC promulgation of less acceptable criteria.
  - Principal arguments against this approach are that it (a) is a reversal of the position you have taken with the Senators with respect to the NFAA, and (b) it foregoes whatever gains

might be achieved if Percy is able to sell the vote forcing clause on uranium enrichment that Bob Fri has proposed.

It may be possible to mitigate the negative effects of holding fast to Alt. #1 by (1) sending a strong letter on non-proliferation to the Senate, and/or (2) proceeding promptly with a major statement on non-proliferation. The critical importance to non-proliferation of expanded uranium enrichment capacity should be emphasized.

RECOMMENDATIONS

OMB\*, Alt. #1. Maintain hold on non-proliferation legislation unless NFAA is taken up.

ERDA, NSC\*\*, State\*\*, Alt. #2. Accept Percy compromise.

Domestic Council Alt. #3. Sever relationship between NFAA and non-proliferation legislation

\* OMB favors Alt. #1 with the mitigating step outlined above. OMB notes that the Fri clause on uranium enrichment provides very little unless it permits ERDA to sign contracts if Congress fails to act.

\*\* Alt. #3 is a fully acceptable alternative to NSC and State.

[Sept. 1976?]

Dear \_\_\_\_\_

When we met last week, I emphasized the great importance to our non-proliferation objectives of two legislative measures pending before the Congress.

The Nuclear Fuel Assurance Act is the most important step that we can take toward achieving our non-proliferation objectives because it is the key to our ability to maintain our role as the leading world supplier of nuclear fuel and equipment for peaceful purposes. Unless we are reliable and competitive suppliers, we simply will not have the leverage to get other nations to accept our more rigid non-proliferation standards.

Non-proliferation legislation setting criteria for our nuclear exports is also important because we must make it clear to all nations -- customers and suppliers -- that strong steps are needed to prevent the theft by terrorists or diversion by nations of nuclear materials to build nuclear explosives.

I have reviewed that compromise non-proliferation legislation that you have worked out with Bob Fri and I believe that it is acceptable if passed by the House and Senate in this form. I urge you to take it up quickly.

I understand that you have not been successful in getting the few objecting Senators to permit the Nuclear Fuel Assurance Act to come to the floor for consideration. I sincerely regret that this is the case and believe strongly that those Senators are unknowingly reducing the ability of the United States to achieve its non-proliferation objectives. I urge you to continue working to permit consideration of that legislation by the Senate this session.

IMMEDIATE

September 15, 1976

MEMORANDUM FOR:

DICK CHENEY

FROM:

JACK MARSH

Senator Percy called and requested a meeting tomorrow with the President for himself, Senator Ribicoff and Senator Glenn on the nuclear ~~penetration~~ <sup>proliferation</sup> bill.

The reason he is pressing for a meeting is because Glenn is leaving with Mansfield on Friday for China.

JOM/dl



September 15, 1976

MEMORANDUM FOR:

BILL NICHOLSON

FROM:

MAX FRIEDERSDORF

Senators Percy, Ribicoff and Glenn have requested a meeting with the President tomorrow, September 16th, to discuss nuclear proliferation legislation.

Jack Marsh and I concur that the meeting should be scheduled and also include Senator Baker and Representatives Mel Price and John Anderson.

cc: Jack Marsh  
Brent Scowcroft  
Jim Connor

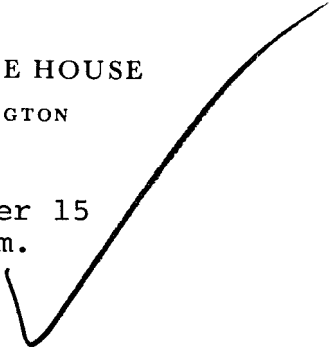


*all info Max provided about to Bill  
between 9-15-76  
Ribicoff, Glenn, requested  
Baker, Price, Anderson  
also included*



THE WHITE HOUSE  
WASHINGTON

September 15  
4:00 p.m.



Mr. Marsh:

Senator Percy's Office just called here again concerning the meeting with the President for tomorrow concerning the nuclear matter.

I called Nancy in Max's Office and asked if Max touched base with Percy's Office and Nancy said Max said: "I don't know what I am supposed to do. He's the one who had the meeting."

I told Percy's office you were on your way back from the Hill and someone would be contacting them shortly.

(NOTE: I spoke with Connie Evans in the Senator's Office 224-0431.)

Donna

MAJOR DIFFERENCES BETWEEN  
COMPROMISE SUBSTITUTE AND JOINT COMMITTEE BILLS

Changes made at the Joint Committee markup, mostly at the specific request of ERDA, seriously weaken the original compromise-substitute bill, and in certain instances are retrogressive---that is, would result in a weaker non-proliferation system than exists under current law.

Following are the major differences between the compromise-substitute (Foreign Relations) bill and the Joint Committee bill:

1. Independence of NRC

The Joint Committee bill gives the President an absolute veto over export licensing decisions of the Nuclear Regulatory Commission. In the event that the NRC finds that issuance of a proposed export license would be inimical to the common defense and security, (because the recipient country does not adhere to one or more of six "principles" governing U.S. nuclear exports), the President can immediately overturn the Commission's decisions if he finds that withholding the license would seriously prejudice U.S. nonproliferation objectives or otherwise jeopardize common defense and security.

Under the compromise-substitute bill, the President is given less latitude in overturning NRC export licensing decisions. He can, by Executive Order, modify four of six export "criteria" on a case-by-case basis but only if he finds that such exceptions

are in the national interest, will not promote the acquisition of nuclear explosives and he has received a no-explosion pledge from the recipient country to which the exception applies. He is barred from overturning criteria requiring recipient countries to accept IAEA safeguards and to take a no-explosion pledge with respect to U.S. exports. His order overturning other criteria cannot take effect for 60 days, thus allowing Congress time to pass a law overruling him, if it sees fit.

The Joint Committee version, by giving the President an immediate and absolute veto over the NRC, would destroy the independent check that the NRC--and before it the AEC--has always had on Executive Branch nuclear export activities. No longer would the NRC be free to exercise the statutory veto--to insure that exports are not "inimical to the common defense and security"--as provided in the Atomic Energy Act of 1954. The effect would be a de facto repeal of the Energy Reorganization Act of 1974 and a restoration of the "rubberstamp" export licensing function of the old AEC Regulatory Division.

## 2. Plutonium Reprocessing

The Joint Committee bill takes a softer stance on plutonium reprocessing than taken in the compromise substitute bill.

The JCAE bill, in both the phase I "principles" and the stricter phase II "criteria" governing U.S. nuclear exports, would permit recipient countries to reprocess plutonium on a national basis under certain circumstances. Specifically, such reprocessing

could take place under conditions that would "minimize" the likelihood of diversion and if the reprocessing plant is used to service other nations.

The phase I criteria of the compromise substitute would require prior approval by the United States of any plutonium reprocessing in connection with a U.S. export, without exception. The stricter Phase II criteria would bar non-nuclear weapons states from building plutonium reprocessing or uranium enrichment plants, although such countries (including Germany and Japan) having these plants by the time the criteria take effect could operate them under effective international management and control.

The JCAE bill contains loopholes that would permit national reprocessing of plutonium derived from imported heavy water (the India example) and would not require reprocessing of imported reactor fuel outside the borders of the recipient countries (thus less strict than the proposed Israeli and Egyptian agreements). These loopholes, plus the exceptions cited above, can only serve to promote development of weapons-sensitive reprocessing and enrichment plants, especially in mutually antagonistic nations. The spread of nuclear-weapons material and capability would be accelerated under the JCAE bill.

### 3. Strict Criteria

The JCAE bill delays implementation of the stricter phase II criteria with respect to U. S. exports until all the supplier

nations agree to all of the criteria. Even then, the criteria would not take effect immediately; rather, the President would have to submit legislation reflecting the precise details of the suppliers agreement.

The compromise substitute requires implementation of the phase II criteria 18 months after enactment, although the President has full discretion to delay the effective date of some or all of the criteria indefinitely, by 12-month increments, if he determines that immediate implementation would have a serious adverse effect on vital U.S. interests and that the delay will not promote the acquisition of nuclear explosives by recipient countries.

The mechanism in the compromise substitute is designed to permit the President more time to negotiate adherence to the criteria by the other supplier nations, and at the same time, to put pressure on both the President and the suppliers to reach such an agreement. The JCAE mechanism applies no such pressure, and, in fact, would encourage dilatory action by the suppliers because the criteria cannot take effect until all of them sign on. There are no "teeth" in the JCAE mechanism, and the end result would be hortatory rather than mandatory criteria.

#### 4. Arms Control and Disarmament Agency

The JCAE bill eliminates the requirement in the compromise-substitute for Nuclear Proliferation Assessment Statements by ACDA with respect to significant nuclear exports and agreements. These statements would serve to enhance ACDA's role as an arms-control advisor and check within the Executive Branch in the nuclear proliferation area. The compromise-substitute bars judicial review regarding the performance or the adequacy of the proliferation assessment statements so that they cannot become a NEPA-like tool for delay by intervenors in licensing proceedings. Thus, the ACDA statements should be retained as an important check on the proliferation aspects of nuclear exports.

#### 5. Government to Government Exports

The JCAE bill would effectively restore the authority of the President to approve nuclear exports on a government-to-government basis. The compromise-substitute requires all but insignificant government-to-government exports to be licensed by the NRC. This was done because the government-to-government procedure has been

used to secretly transfer substantial quantities of plutonium, weapons-grade uranium and heavy water to other nations. Such activities have accelerated the spread of weapons capabilities, and they should be brought under NRC's licensing and review procedures.

#### 6. Components and Substances

The JCAE has eliminated provisions in the compromise-substitute that would give the NRC licensing authority over non-nuclear components and substances when they are to be exported for significant use in nuclear facilities. Such components include heavy water (the India example), computers (the South Africa example) and such items commonly used in reprocessing plants as leaded glass and remote-control handlers. The NRC does not have jurisdiction to license these items now when they are destined for use in nuclear facilities. This is a serious loophole, and it should be closed.

#### 7. Renegotiation of Nuclear Agreements

The JCAE bill eliminates a requirement in the compromise-substitute for the President to report annually as to which agreements for cooperation require modification through renegotiation because of such activities in a recipient country as setting off a nuclear explosion, refusal to accept IAEA safeguards and to take a no-explosive pledge with respect to all nuclear activities. It should be noted that the President is not required to renegotiate the agreements, only to report as to which agreements may require negotiation because of questionable or dangerous activities in recipient countries. This provision will help keep Congress informed of proliferation activities on a timely basis, and in view of the inadequacy of present agreements

to prevent such activities (as discussed in the CRS report on nuclear agreements), it should be retained.

#



*Not sent*

THE WHITE HOUSE  
WASHINGTON

✓

September 15, 1976

MEMORANDUM FOR: DICK CHENEY

FROM: JACK MARSH

In reference to the Percy request for a meeting for himself, Ribicoff and Glenn, I have talked with Max and Brent. It is our view that any such meeting should be expanded to include Members from the Joint Atomic Energy Committee such as Price, Anderson, Baker (probably out of town), Pastore to provide a counter-balance to the position of the Ribicoff Government Operations Committee on the subject of nuclear proliferation.

It is our view that:

1. To turn down the Percy request opens the President to criticism on an emotional issue of nuclear proliferation by being too busy or unconcerned with other things to deal with this serious matter.
2. The inclusion of Joint Atomic Energy Members will provide a balance to the meeting and present an alternative view.
3. Upon conclusion of the meeting there is a better chance that the press will realize there are two views on how to proceed on this question.
4. There is an outside possibility that the meeting could produce a compromise measure that would be mutually acceptable; however, I am not optimistic. In this connection, there may be some quid pro quo with Glenn to withdraw his objection to Senate consideration of the Nuclear Fuel Assurances Bill.
5. However, we may not be able to accomplish an expanded meeting for a number of reasons in which event we would recommend the meeting with Percy, Ribicoff and Glenn. This would help offset criticism that might arise for failing to meet on this subject.

ABRAHAM RIBICOFF, CONN., CHAIRMAN

JOHN L. MCCLELLAN, ARK.  
HENRY M. JACKSON, WASH.  
EDMUND S. MUSKIE, MAINE  
LEE METCALF, MONT.  
JAMES B. ALLEN, ALA.  
LAWTON CHILES, FLA.  
SAM NUNN, GA.  
JOHN GLENN, OHIO

CHARLES H. PERCY, ILL.  
JACOB K. JAVITS, N.Y.  
WILLIAM V. ROTH, JR., DEL.  
BILL BROCK, TENN.  
LOWELL P. WEICKER, JR., CONN.

RICHARD A. WEGMAN  
CHIEF COUNSEL AND STAFF DIRECTOR

## United States Senate

COMMITTEE ON  
GOVERNMENT OPERATIONS  
WASHINGTON, D.C. 20510

September 17, 1976

The President  
The White House  
Washington, D.C. 20500

Dear Mr. President:

As you know, major legislation is awaiting Senate action on the critical problem of nuclear proliferation. This legislation is the product of nearly two years of work by the Government Operations Committee, which held extensive hearings and received 4,500 pages of testimony and background material from Administration, industry, and other expert witnesses. Subsequent extensive discussions among the Members and staff of the Government Operations, Foreign Relations, and Joint Atomic Energy Committees produced a compromise proposal which was introduced by Senator Pastore, co-sponsored by key Members of all three committees, and approved overwhelmingly by the Foreign Relations Committee. That compromise will be offered as substitute language for S. 1439, which has been on the Senate calendar for several weeks.

In a separate action, the Joint Committee on Atomic Energy has reported out a bill originating in the House. It is our deep conviction that several provisions of that legislation are unacceptable. The bill is not only substantially weaker than the compromise proposal; it would seriously undermine existing United States export control procedures and condone dangerous practices which have already heightened the risk of nuclear proliferation. A memorandum is enclosed outlining our principal objections to the provisions of H.R. 15419, as amended.

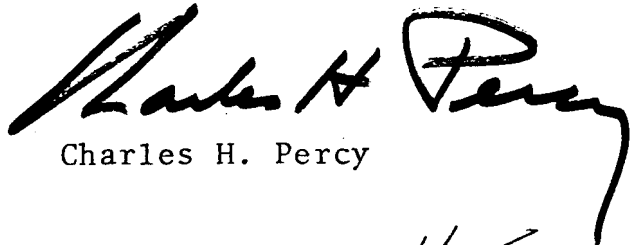
The United States can and must exert strong and creative leadership in the effort to halt nuclear proliferation. We urge you to pursue every avenue to convey the urgency of this problem to the world community, including a major Presidential address on proliferation before the United Nations or some other suitable forum this Fall, and to assist us in every way possible to enact a strong, constructive non-proliferation bill in this Congress.

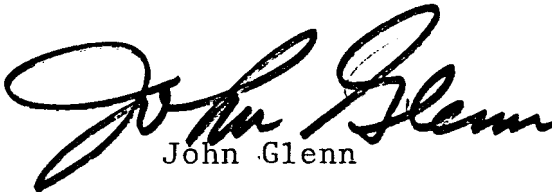
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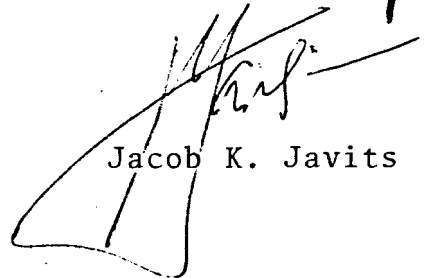
Specifically, we respectfully request that the "hold" placed on S. 1439 at the request of the administration be removed so that early next week the Senate can consider this legislation under a reasonable time limitation agreement allowing for adequate debate. After approval by the Senate, the House may enact whatever it deems appropriate, permitting us in conference to reach compromise on the final provisions of a bill that will offer hope that we can achieve a more effective international agreement placing strict controls on the transfer and use of sensitive nuclear material and technology. Even if the House, because of approaching sine die adjournment, cannot act, we feel that passage of a strong and responsible Senate bill would lend credibility to the Administration's efforts to reach agreement at the nuclear suppliers' conference and to strengthen the safeguards of the International Atomic Energy Agency.

Sincerely,

  
Abraham Ribicoff

  
Charles H. Percy

  
John Glenn

  
Jacob K. Javits

CHP:fce

THE WHITE HOUSE

WASHINGTON

September 17, 1976

TO: MAX FRIEDERSDORF  
✓ JACK MARSH  
JIM LYNN  
BRENT SCOWCROFT

FROM: GLENN SCHLEEDE

SUBJECT: TWO ITEMS FOR NOON MEETING  
ON NUCLEAR MATTERS

Here are two papers that may be useful to you for the meeting at noon:

- . Copy of French Newspaper story on uranium enrichment plant.
- . Brief listing of problems with the two Senate non-proliferation bills.

Jim Cannon and Jim Connor have copies.

Also, just arrived is a side-by-side comparison of S. 3770 and HR 15419 that John Anderson will be using in the meeting.

THE WHITE HOUSE

ACTION

WASHINGTON

September 16, 1976

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JIM CONNOR

SUBJECT:

French Decision to Build Large  
Enrichment Plant -- Capitalizing  
on US Delays

I suggest that you consider using the attached article from the Paris newspaper Les Echos in your Friday meeting with Senators Percy, Ribicoff, Glenn, Pastore and Javits.

Briefly, it says:

- . France has decided to "reap the benefits of nuclear expansion" because the U.S has delayed enrichment plants "due to the pre-election period."
- . France will proceed very quickly because enriched uranium is "in keen demand."
- . France wishes to take advantage of the American "wait and see attitude."

Enclosure

LITERAL TRANSLATION OF SEPTEMBER 14, 1976, ARTICLE IN  
LES ECHOS (PARIS)

FRANCE TO INVEST 5.5 BILLION FRENCH FRANCS

IN A NEW URANIUM ENRICHMENT PLANT

At a time U.S. projects are being held in abeyance due to the pre-electoral period, France appears definitely decided to proceed in order to reap the benefits of nuclear expansion.

Thus, COREDIF, 51 of which is held by EURODIF (1), 29 by COGEMA, C.E.A.'s affiliate and 20 by Iran, has decided to set up a new gaseous diffusion uranium enrichment plant. Project is estimated at about 11 billion French francs (1975 constant francs) for an output of 10 million SWU (P.A.), which is equivalent to the output of the EURODIF plant, now being built on the Tricastin site (price: 9.6 billion French francs, 1974 constant francs). France will contribute about 5.5 billion French francs.

The project being studied assumes initial start-up of the plant in 1983 with an output of 5 million SWU whereas the EURODIF plant will be in full operation in 1981. At the present time, six sites have been selected, three of them being located in France. The final choice will be made in early 1977, but the executives of COREDIF are very cautious about divulging the possible geographical areas.

From now on, they intend to proceed very quickly, because enriched uranium is a fuel in keen demand. This is proven by the fact that the order book of EURODIF (started up in 1973) was saturated as early as March, 1974. In 1975, EURODIF had to turn down several contracts, although in addition to its shareholders, countries such as Japan, Germany and Switzerland are applicants.

Therefore, confident in its technology, France wishes to take advantage of the American wait and see attitude and the failure of certain other undertakings. Presently, the only international suppliers are the U.S.A. with a 17 million SWU capacity, the U.S.S.R. (3 to 4 million SWU), France (10.8 million SWU in 1981) and Germany, United Kingdom and Netherlands (2 million SWU in 1982). To these figures should be added the U.S. intentions of increasing the existing capacity to 27 million SWU in 1985.

But all this will not be enough, because the estimated demand will be of 56 million SWU in 1985, 64 in 1986 and 92 million in 1990. The shortage will be of 11 million in 1985, 19 in 1986 and perhaps 49 in 1990. Mr. George Besse, President of EURODIF, feels confident that the banks and investors will look favorably at the COREDIF project especially since the EURODIF job shows satisfactory advancement, the shareholders of COREDIF will supply about 20 of the necessary funds. The balance will be borrowed through issuance of paper or from banks. Such funds - why not ? - could be partially found in the U.S., which would be the evident proof of the reliance given to French technology and to French commercial opportunism.

(1) Italy, 23 - Spain, 11,1 - Belgium, 11.1 - COGEMA  
(French AEC), 27.5 - SUFIDIF (40%--Iran/60%--COGEMA), 25

## PROBLEMS WITH TWO SENATE NON-PROLIFERATION BILLS

### S.1439 as Reported in May by Senate Government and Operations Committee

- . Provides only for reshuffling of agency responsibilities relating to nuclear exports among ERDA, NRC, State, Commerce and ACDA.
- . Gives responsibility to NRC to develop on its own criteria governing nuclear exports. Provides no legislative guidance. NRC has been unable to develop criteria and is seeking legislative guidance.
- . Sets up Congress as the ultimate referee in disputes between Executive Branch and the NRC on export licenses.
- . Requires a NEPA-like "nuclear proliferation assessment statement" prepared by ACDA.

### The Version of S.1439 Reported by Senate Foreign Relations Committee Which is the Same as S.3770 Introduced by -- and Then Disowned -- Senators Pastore and Baker.

- . Constitutes a unilateral declaration of non-proliferation controls which must be accepted by other nations as a condition of U.S. nuclear exports.
  - sets up immediate binding criteria for exports which ERDA and State believe will prevent exports under all 30 existing agreements for nuclear cooperation. ERDA believes that, even if the language is stretched to its limits, current agreements with IAEA, Canada, and with EURATOM would not qualify.
  - gives the President 18 months to get new agreements with all trading partners.
  - other nations can cut off imports from the U.S. merely by refusing to accept the statutory requirements. Other suppliers are ready to satisfy demands without such restrictions.
  - the bill seeks to provide escape clauses to permit some leeway in applying the immediate criteria and for delays in the 18 months deadline. However, this is considered worthless for practical purposes because:
    - . the exceptions are subject to Congressional reversal.
    - . it creates an export policy of exceptions rather than rules.



- . Requires an ACDA nuclear proliferation assessment statement.
- . Overrides Executive privilege by requiring the President to provide to the Congress advice on exports he receives from the Secretary of State and Administrator of ERDA, as well as ACDA.
- . Requires the President to provide information that will antagonize trading partners (e.g., identifying specifically the controls that other nations have not yet adopted -- thus, portraying those nations publicly as not sufficiently concerned about proliferation).

COMPARISON OF GOALS -- S-3770 and H.R. 15419 as amended

Interim Principles

	<u>S-3770</u>	<u>H.R. 15419</u>
1. Safeguards on all fuel	Yes	Yes
2. No explosives pledge	Yes	yes
3. Adequate physical security on U.S. export	Yes	Yes
4. U.S. Acceptance of retransfer conditions on our fuel and equipment.	Yes	Yes
5. Reprocessing Assurance	Prior U.S. Approval	Enlarge options available to recipient country to permit signing long term fuel service contracts with international reprocessing ventures, removing requirement for specific U.S. approval each fuel loading.
6. No replication pledge	Yes	Yes

Long Term principles

1. Safeguards on all activities	Yes	Yes
2. No explosives pledge	Yes	Yes
3. Adequate physical security on <u>all activities.</u>	Yes	YES
4. No retransfers to anybody unless they agree to safeguard everything	Yes	Yes
5. Reprocessing conditions	No reprocessing by non-nuclear supplier nations.	No national reprocessing or if national facility operated they must assure (1) Little chance of diversion and (2) Advance non-proliferation goals of encouraging national reprocessing and (3) Cooperation providing services on a priority basis to those who give up national reprocessing ventures.
6. No further stockpiling and if stockpiles exist, put them under effective international auspices. (Non-nuclear weapons States)	<u>NO</u>	Yes

*Gen. Schwartz*

THE WHITE HOUSE  
WASHINGTON

September 24

TO: RON NESSEN  
FROM: *Glenn Schleede* GLENN SCHLEEDE  
SUBJECT: NON-PROLIFERATION

Attached in accordance with our conversation.

cc: Jim Cavanaugh  
Jim Cannon

General: Mr. Schleede left the following explanation:

"After we talked, Cavanaugh and Cannon and perhaps others discussed the idea of a statement that Ron Nessen could give to the press pool on the plane -- with the objective of getting a story out before 8:55 West Coast time."

·Marilyn 10:30 p.m. 9/24

## NON-PROLIFERATION

Last week the President met with Senate and House members on legislation concerned with non-proliferation. He was pleased to learn that agreement has now been reached on a compromise non-proliferation bill, clearing the way for Senate action on this bill next week.

The President will make a major policy statement next week concerning the U.S. role in international nuclear cooperation. He plans to announce a number of actions, including several to encourage other nations/adopt tough standards -- like those of the U.S. -- to prevent theft or diversion of nuclear materials for making nuclear explosives.

The President has expressed great satisfaction that the Senate yesterday decided to take up next week the Nuclear Fuel Assurance Act. That bill is vital in order to maintain the U.S. role as a major supplier of nuclear fuel and equipment for peaceful purposes. This strong supplier role is the principal means the U.S. has for achieving non-proliferation objectives.