The original documents are located in Box 4, folder "India - Nuclear" of the National Security Adviser. NSC Middle East and South Asian Staff Files at the Gerald R. Ford Presidential Library.

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INFO USERDA HQ WASHDC IMMEDIATE USERDA HQ GERMANTOWN IMMEDIATE AMCONSUL BOMBAY PRIORITY 104 AMEMBASSY NEW DELHI PRIORITY 459 AMEMBASSY MOSCOW PRIORITY 6505

CONFIDENTIAL IAEA VIENNA 10166

EXDIS
DEPT PASS ID/SCT
ED 11652: GDS
TAGS: PARM, TECH, IAEA, IN
SUBJ: HEAVY WATER SUPPLIED BY USSR TO INDIA

1. MISSION HAS OBTAINED FROM IAEA SECRETARIAT FOLLOWING INFO RE STATUS OF NEGOTIATIONS OF SAFEGUARDS AGREEMENT WITH GOI IN CONNECTION WITH SUBJECT HEAVY WATER:

A) APPROXIMATELY TWO MONTHS AGO, SECRETARIAT PREPARED DRAFT "UNILATERAL SUBMISSION"TYPE OF SAFEGUARDS AGREEMENT WHICH, AFTER CLEARING INFORMALLY WITH USSR MISSION, SECRETARIAT TRANSMITTED TO GOI FOR ITS CONSIDERATION.

B) GOI REPLIED THAT, RATHER THAN NEW AGREEMENT, IT PREFERRED THAT SAFEGUARDS ON USSR-SUPPLIED HEAVY WATER BE PROVIDED FOR BY MEANS OF AMENDMENT TO GOI—CANADA-IAEA TRILATERAL AGREMENT (INFCIRC/211) CONCERNING RAJASTHAN POWER STATION.

C) SECRETARIAT CONSULTED BOTH CANADIAN AND USSR

C) SECRETARIAT CONSULTED BOTH CANADIAN AND USSR
MISSIONS CONCERNING GOI PROPOSAL AND RECEIVED STRONG
NEGATIVE REACTION FROM BOTH. ACCORDINGLY, SECRETARIAT
HAS (CR IS ABOUT TO)INFORMED GOI THAT ITS PROPOSAL IS
NON-STARTER AND REITERATING REQUEST FOR GOI RESPONSE TO
SECRETARIAT'S DRAFT OF NEW GOI/IAEA AGREEMENT SPECIFICALLY
ADDRESSING USSR-SUPPLIED HEAVY WATER.

2. ACCORDING TO SECRETARIAT, GOI HAS EARLIER AGREED

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E.O. 13528 (as amended) SEC 3.3

State Dept Guidelines

W. NARA, Date 11/7/12

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TO CONTINUATION OF IMPLEMENTATION OF INFCIRC/211 FOR AN ADDITIONAL SIX MONTHS BEYOND SEPT 30, 1976 IN SAME MANNER AS OURING INITIAL FIVE-YEAR PERIOD.

3. MEANWHILE, SECRETARIAT HAS BEEN SURPRISED TO RECEIVE INFORMATION FROM GOI THAT 40 TONNES OF HEAVY WATER HAD BEEN RECEIVED FROM THE USSR ABOUT ONE MONTH AGO AND THAT FURTHER 25 TONNES HAD BEEN RECEIVED MORE RECENTLY. WE UNDERSTAND SECRETARIAT HAS ADVISED GOI THAT SUCH HEAVY WATER SHOULD NOT RPT NOT BE USED UNTIL ARRANGEMENTS FOR SAFEGUARDS HAVE BEEN MADE PURSUANT TO FORMAL AGREEMENT. PRESUMABLY, SECRETARIAT HAS ALSO INFORMED USSR MISSION OF THIS SITUATION.

4. MISSION NOTES THAT DELIVERY TO GOI BY USSR OF SUCH QUANTITIES OF HEAVY WATER IN THE ABSENCE OF ASSURANCE THAT IAEA SAFEGUARDS WILL BE APPLIED TO SNM PRODUCED THROUGH USE OF SUCH HEAVY WATER, PURSUANT TO AGREEMENT WITH AGENCY, IS CONTRARY TO USSR POLICY AS COMMUNICATED PRIVATELY TO USG AND OTHER GOVERNMENTS BY DIPLOMATIC NOTES OF AUGUST 22, 1974 (AND LATER TO STILL OTHER GOVERNMENTS) AND COMMUNICATED BY USSR LETTER TO IAEA DIRECTOR GENERAL PUBLISHED IN INFCIRC/209, ALL OF WHICH WERE IN CONNECTION WITH NPT EXPORTERS (ZANGGER) COMMITTEE. USSR ACTION IS ALSO CONTRARY TO LONGON SUPPLIERS GUIDELINES.STONE



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CONFIDENTIAL SECTION 1 OF 2 IAEA VIENNA 10261

EXDIS
DEPT PASS ID/SCT
ALSO PASS ERDA AT YOUR DISCRETION
E.O. 11652: GDS
TAGS: PARM, TECH, IAEA, IN
SUBJECT: SOVIET DELIVERY OF HEAVY WATER TO INDIA
REF: IAEA VIENNA 10166
SUMMARY. DESPITE SOVIET ATTEMPT PLACE BLAME
OF LACK OF SAFEGUARDS AGREEMENT ON HEAVY WATER
TO INDIA ON IAEA SECRETARIAT, FACTS OBTAINED BY
MISSION REVEAL LAXITY IN SOVIET HANDLING OF MATTER.
ACTION RECOMMENDED: APPROACH TO SOVIETS ALSON
LINES SUGGESTED PARA 6. END SUMMARY.

1. DURING CALL ON SOVIET AMBASSADOR EROFEEV
DECEMBER 14, I TOLD HIM I HAD HEARD A REPORT THAT
HIS GOVERNMENT HAD DELIVERED HEAVY WATER TO INDIA
WITHOUT SAFEGUARDS. I THEN INQUIRED WHETHER
THIS COULD POSSIBLY BE TRUE.

2. EROFEEV ENGAGED IN CIRCUMLOCUTORY EXPLANATION, FINALLY ADMITTED THAT REPORT WAS INDEED TRUE BUT CLAIMED THAT THE BLAME FOR THE SITUATION LAY WITH IAEA SECRETARIAT WHICH HAD BEEN DRAGGING ITS FEET IN PREPARING SAFEGUARDS AGREEMENT. HE CLAIMED THAT BI-LATERAL AGREEMENT HAD BEEN CONCLUDED BETWEEN INDIA AND SOVIET UNION PRIOR TO SHIPMENT OF HEAVY WATER AND THIS AGREEMENT CALLED FOR APPLICATION OF IAEA SAFEGUARDS. HE ASSURED ME THAT IT WAS SOVIET FIRM INTENTION TO

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E.O. 13526 (as amended) SEC 3.3 State Dept Guidelines VR NARA, Date 1//2/12 FORD NO NO

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HAVE SAFEGUARDS APPLIED AND THAT IT WOULD ONLY BE A MATTER OF DAYS BEFORE SAFEGUARDS AGREEMENT WOULD BE CONCLUDED.

3. IN RESPONSE TO MY QUESTION WHETHER THAY HAD HAD ANY PROBLEMS WITH INDIANS, HE REPLIED IN THE NEGATIVE AND CLAIMED DELAYS WERE CAUSED SOLELY BY IAEA SECRETARIAT.

4. MISSION HAS SUBSEQUENTLY LEARNED THAT ACTUAL DETAILED SEQUENCE OF EVENTS WAS: (A) GDI AMBASSADOR MEHTA SENT IAEA LETTER DATED SEPTEMBER 13, 1976, REFERRING TO BILATERAL AGREE-MENT CONCLUDED WITH USSR FOR SUPPLY OF 200 TONNES HEAVY WATER "FOR PEACEFUL PURPOSES" IN RAJASTHAN II REACTOR AND THAT INITIAL SHIPMENT OF HEAVY WATER WAS EXPECTED SHORTLY. LETTER STATED THAT BILATERAL PROVIDES THAT HEAVY WATER SUPPLIED BY USSR, UPON ARRIVAL AND SUBSEQUENT USE IN INDIA, MUST BE SUBJECT TO SAFEGUARDS AGREEMENT WITH IAEA. ACCORDINGLY, GOI SOUGHT TO CONCLUDE AGREEMENT WITH IAEA UNDER WHICH FISSIONABLE MATERIAL PRODUCED THROUGH USE OF SUCH HEAVY WATER WOULD BE SUBJECT TO SAFEGUARDS. LETTER WAS ACKNOWLEDGED SEPTEMBER 17. (SECRETARIAT HAS NOT SEEN TEXT OF BI-LATERAL.) (B) DURING GENERAL CONFERENCE IN RIO, INDIAN DEL MET WITH IAEA INSPECTOR GENERAL ROMETSCH AND REQUESTED DRAFTS OF ALTERNATIVE FORMS OF AGREE-MENT: (1) AMENDMENT OF EXISTING CANADA-GOI-IAEA TRILATERAL (INFCIRC/211) BY SIMPLE ADDITION OF PROVISION ADDRESSING USSR-SUPPLIED HEAVY WATER (PRESUMABLY ALONG LINES OF EXISTING SECTION ELEVEN), AND (2) NEW "UNILATERAL SUBMISSION" ADDRESSING ONLY USSR-SUPPLIED HEAVY WATER. ROMETSCH HAS NOTES OF MEETING INDICATING THAT HE POINTED OUT THAT FIRST SUGGESTION WAS INFEASIBLE. (C) UPON RETURN TO VIENNA, IAEA SECRETARIAT PREPARED DRAFT TEXT OF "UNILATERAL SUBMISSION" FROM OF AGREEMENT WHICH WAS FIRST SHOWN TO USSR MISSION AND AFTER RECEIVING ITS CLEARANCE, WAS TRANS-MITTED TO GOI MISSION DECTOBER 27. (D) ON NOVEMBER 5, GOI AMBASSADOR MEHTA INFORMED SECRETARIAT THAT 40 TONNES OF HEAVY WATER HAD ARRIVED IN INDIA FROM USSR. (3) ON NOVEMBER 12, SECRETARIAT WROTE AMBASSADOR MEHTA, RECALLING NECESSITY UNDER GOI-USSR BILATERAL FOR SAFEGUARDS AGREEMENT, AS NOTED IN MEHTA'S: LETTER OF SEPTEMBER 13. LETTER POINTED OUT THAT



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IAEA WAS NOT PREPARED ACCEPT RESPONSIBILITY FOR SAFEGUARDING IN ABSENCE AGREEMENT AND REAFFIRMED SECRETARIAT'S READINESS TO NEGOTIATE SUCH AGREEMENT. LETTER SATATED THAT MEANWHILE SECRETARIAT ASSUMED THAT HEAVY WATER WOULD REMAIN IN STORAGE AND WOULD NOT BE INTRODUCED INTO ANY FACILITY. (F) IN LETTER DATED NOVEMBER 25, AMBASSADOR MEHTA REFERRED TO GOI REQUEST (IN RID DISCUSSIONS) FOR ALTERNATIVE DRAFTS AND STATED THAT GOI LOOKED FORWARD TO THEIR RECEIPT, AFTER WHICH GOT WOULD BE READY TO NEGOTIATE. (G) ON DECEMBER 3, MEHTA INFORMED SECRETARIAT OF ARRIVAL IN INDIA OF ADDITIONAL FIFTEEN TONNES (VICE 25 TONNES REPORTED REFTEL) HEAVY WATER FROM USSR. (H) IN COURSE OF PREPARING RESPONSE TO MEHTA'S LETTER OF NOVEMBER 25, SECRETARIAT CONSIDERED POSSIBILITY DE VARIATION DE GOI SUGGESTION (1) MADE IN RIO DISCUSSIONS. VARIATION WOULD BE TO USE OPPORTUNITY OF BRINGING USSR-SUPPLIED HEAVY WATER INTO CANADA-GOI-IAEA TRILATERAL TO RENEGOTIATE ENTIRE TRILATERAL. WHEN SECRETARIAT DISCUSSED THIS APPROACH WITH



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CONFIDENTIAL SECTION 2 OF 2 IAEA VIENNA 10261

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CANADIAN AND USSR MISSIONS HOWEVER, NEITHER
WAS INTERESTED.
(1) SECRETAIRAT REPLIED DECEMBER 13 TO MEHTA'S
LETTER OF NOVEMBER 25, POINTING DUT THAT ANY
MODIFICATION OF EXISTING CANADA-GOI-IAEA TRILATERAL
WOULD REQUIRE CONCURRENCE BY CANADA AND THAT
SECRETARIAT HAD NO INDICATION OF CANADA'S INTEREST
IN AMENDING OR RENEGOTIATING TRILATERAL. ACCORDINGLY,
THERE WAS NO OTHER ALTERNATIVE TO "UNILATERAL
SUBMISSION," DRAFT TEXT OF WHICH HAD PREVIOUSLY
BEEN TRANSMITTED. LETTER STATED SECRETARIAT
STOOD READY TO NEGOTIATE SUCH AGREEMENT AND REITERATED
URGENCY, IN LIGHT OF DELIVERY OF HEAVY WATER.

5. MISOFF HAD OPPORTUNITY DECEMBER 15 TO OBTAIN CONFIRMATION FROM MISHARIN OF USSR MISSION THAT USSR HAS NO INTEREST IN NEGOTIATING USSR-GOI-IAEA TRILATERAL, BUT EXPECTS GOI TO ENTER INTO "UNILATERAL SUBMISSION" TYPE OF AGREEMENT WITH IAEA. MISHARIN SAID THAT USSR DOES NOT ENTER INTO TRILATERAL SAFEGUARDS AGREEMENTS, AS MATTER OF POLICY. WE NOTE THAT IN CASE OF INDIA, BOTH US AND CANADIAN TRILATERALS ARE IN RECIPROCAL FORM, CALLING FOR IAEA SAFEGUARDS IN CERTAIN US AND CANADIAN INSTALLATIONS RESPECTIVELY, UNDER SPECIFIED CIRCUMSTANCES. USSR DOUBTLESS ANTICIPATED THAT GOI WOULD INSIST UPON SUCH "NON-DISCRIMINATORY" ARRANGEMENTS IN ANY TRILATERAL WITH USSR, WHICH WOULD BE UNACCEPTABLE TO USSR.

6. COMMENT AND RECOMMENDATION: EROFEEV'S

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BLAMING SECRETARIAT FOR DELAY IN NEGOTIATING SAFEGUARDS AGREEMENT WITH GOI IS DISINGENUOUS, IN LIGHT OF CHRONOLOGY DUTLINED ABOVE. MOST EFFECTIVE LEVERAGE UPON GOI TO EXPEDITE COMPLETION OF NEGOTIATIONS WOULD HAVE BEEN REFUSAL BY USSR TO DELIVER ANY HEAVY WATER UNTIL AGREEMENT APPROVED BY IAEA BOARD OF GOVERNORS AND BROUGHT INTO EFFECT BY GOI. IN PRESENT SITUATION, USSR COULD STILL PROVIDE INCENTIVE BY TAKING FIRM POSITION WITH GOI THAT NO FURTHER SHIPMENTS WILL BE MADE UNTIL THAT CONDITION MET, AND THAT HEAVY WATER ALREADY DELIVERED BE SEALED BY USSR, PENDING SAFEGUARDS AGREEMENT COMING INTO FORCE. MISSION URGES THAT VIEW BE CONVEYED TO USSR SOUNEST, IN ORDER TO PROVIDE INCENTIVE TO GOI TO BEGIN AND COMPLETE NEGOTIATIONS. SUGGEST USSR ALSO BE ENCOURAGED TO INFORM GOI THAT TERMS OF AGREEMENT AND RELATED SUBSIDIARY ARRANGEMENTS WILL BE SCRUTINIZED BY USSR TO ASSURE ITSELF THAT PROVISIONS ARE ADEQUATE TO PERMIT IAEA TO CARRY DUT SAFEGUARDS EFFECTIVELY. END COMMENT. STONE BT

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TO SECSTATE WASHDC 2212

INFO USMISSION IAEA VIENNA 4967 AMCONSUL BOMBAY 32 AMBASSY NEW DELHI 954

CONFIDENTIAL MOSCOW 19723

EXDIS

ED 11652: GDS

TAGS: PARM TECH IAEA IN UR

SUBJECT: SOVIET DELIVERY OF HEAVY WATER TO INDIA

REF: IAEA VIENNA 10261

1. CANADAJAN AMBASSADOR FORD INFORMED ME TODAY THAT HE HAS APPOINTMENT WITH SOVIET DEPUTY MINISTER ZEMSKOV NEXT WEEK TO PROTEST SOVIET DELIVERY OF HEAVY WATER TO INDIA AND TO SEEK FURTHER DETAILS ON SAFEGUARDS APPLIED. APPROACH BASED ON CANADIAN INVOLVEMENT IN INDIAN NUCLEAR ENERGY DEVELOPMENT AND PARTICIPATION IN TRILATERAL AGREEMENT. FORD ADDED THAT HE HAS PREVIOUSLY DISCUSSED MATTER WITH DEPUTY DIRECTOR MFA INTERNATIONAL ORGANIZATIONS DIVISION TIMERBAYEV, BUT HAD RECEIVED ONLY "LIES AND EVASIONS" FROM HIM, SO THAT HE HAS NOW BEEN INSTRUCTED TO MAKE VIGOROUS REPRESENTATIONS AT HIGHER LEVELS.

2. FORD SAID THAT IN HIS VIEW SOVIET ACTION IS FLAGRANT VIOLATION OF UNDERSTANDINGS REACHED AT NUCLEAR SUPPLIERS CONFERENCE AND ALSO DEMONSTRATES CONTEMPT FOR IAEA. HE EXPRESSED HOPE THAT OTHER PARTICIPANTS IN LONDON CONFERENCE AND MEMBERS IAEA WOULD WEIGH IN HEAVILY WITH SOVIETS.
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R 201331Z DEC 76 FM AMEMBASSY MOSCOW TO SECSTATE WASHOC 2252 INFO AMEMBASSY LUNDON AMEMBASSY NEW DELHI AMEMBASSY OTTAWA AMEMBASSY PARIS AMEMBASSY TEL AVIV USMISSION IAEA VIENNA

SONFIDENTIAL MOSCOW 19790

E.O. 11652: XGDS-1 TAGS: PARM TECH IAEA UR IN SUBJ: SOVIET SALE OF HEAVY WATER TO INDIA

REF: IAEA VIENNA 10261 (NOTAL)

1. BEGIN SUMMARY: INDIAN POLITICAL COUNSELOR ARORA (PROTECT) TOLD EMBOFF THAT SOVIET SALE OF HEAVY WATER TO INDIA WAS A STRAIGHFORWARD COMMERCIAL DEAL AND THAT THE SOVIETS HAD INSISTED ON A CLAUSE SPECIFYING THAT IT WAS NOT TO BE USED IN THE MANUFACTURE OF AN EXPLOSIVE DEVICE. ARORA SAID INDIA HAD RESISTED THIS CLAUSE BUT SOVIETS HAD INSISTED, CITING THE REQUIREMENTS OF THE LONDON SUPPLIER GUIDELINES. END SUMMARY.

2. IN THREE-WAY CONVERSATION WITH EMBOFF AT DINNER PARTY, ARORA REPLIED TO A GUERY BY U.S. NEWS AND WORLD REPORT CORRESPONDENT ROBIN KNIGHT BY SAYING THAT THE PRESS

DECLASSIFIED State Review E.O. 13526 (sa amended) SEC 3.3/2/3/02

HR NARA, Date 11/7/12



Department of State

TELEGRAM

CONFIDENTIAL

PAGE 02

MUSCOW 19790 201916Z

STORIES THUS FAR HAD MADE MORE OF THE STORY THAN IT DESERVED AND HAD GOTTEN SUME DETAILS WRONG, THERE WAS NEVER ANY INTENTION, SAID ARORA, TO KEEP THE DEAL SECRET, SINCE IT WAS A STRAIGHT COMMERCIAL TRANSACTION AND MET ALL INTERMATIONAL RULES AND REGULATIONS. THE DOCUMENTS HAD BEEN SUBMITTED TO THE IAEA IN VIENNA, SAID ARORA, AS EVIDENCE THAT THERE WERE NO HIDDEN ELEMENTS.

3. ON THE SPECIFIC NEGOTIATIONS, ARORA SAID THAT THE INDIANS HAD RESISTED THE CLAUSE STATING THAT THE HEAVY WATER WOULD NOT BE USED FOR ANY NUCLEAR "EXPERIMENT", A EUPHONISM FOR AN EXPLOSIVE DEVIDE. THE EARLIER PART OF THE SAME SENTENCE, SPECIFYING WHAT THE MATERIAL COULD BE USE FOR, CAUSED THE INDIANS NO PROBLEM, SAID ARORA, ALTHOUGH THEY FELT THAT IT WAS UNNECESSARY TO BE SO SPECIFIC. HOWEVER, THE SOVIETS HAD INSISTED ON BOTH PARTS, ARORA CONTINUED, CITING THE NECESSITY TO ABIDE BY THE GUIDELINES ESTABLISHED BY THE LONDON "CLUB" OF NUCLEAR EXPORTING COUNTRIES.

4. DESPITE THEIR RESERVATIONS, SAID ARORA, THE INDIANS ACCEPTED THE SOVIET-PROPOSED LANGUAGE, PARTLY BECAUSE THEY HAD NO CHOICE, AND PARTLY BECAUSE THEY DID NOT INTEND TO USE THIS HEAVY WATER FOR AN EXPLOSIVE DEVICE ANYWAY. HE SAID THAT IT WOULD BE USED IN A RESEARCH FACILITY IN RAJASTAN WHICH HAS NOTHING TO DO WITH SUCH WORK AND HAS NO CONNECTION WITH THE FACILITY WHICH DEVELOPED THE EARLIER EXPLOSIVE DEVICE.

5. THE INDIANS ARE, IN ANY CASE, DEVELOPING THEIR OWN ABILITY TO PRODUCE HEAVY WATER, TOGETHER WITH OTHER NUCLEAR MATERIALS, SAID ARDRA, AND WHEN THEY HAD DVELOPED THIS CAPABILITY, THEY COULD DO WITH IT WHAT THEY WISHED, WITHOUT ACCEPTING LIMITATIONS FROM OTHER COUNTRIES. INDIA HAS NOT SIGNED THE NPT SPECIFICALLY FOR THIS REASON. THIS PURCHASE WAS NECESSARY, SAID ARORA, BECAUSE CANADA HAD STOPPED SUPPLYING ANY NUCLEAR—RELATED GOODS OR SERVICES





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PAGE 03

MUSCOW 19790 201916Z

TO INDIA AND THE U.S. HAD LIKEWISE REFUSED TO SELL HEAVY WATER. THE AMOUNT IN THE PRESENT DEAL WAS EXPECTED TO SATISFY INDIA'S NEEDS FOR ABOUT THREE YEARS, HE CONCLUDED.

6. COMMENT. ARORA'S VERSION, NOT SURPRISINGLY, PAINTS THE SOVIETS AS RESPONSIBLE ADHERENTS TO THE NPT AND AS INSISTING ON COMPLIANCE WITH THE LONDON GUIDELINES. IT STRIKES US AS DISINGENUOUS AT BEST, IN VIEW OF THE ACTUAL SEQUENCE OF EVENTS (REFTEL). PERHAPS MORE SIGNIFICAN AND ALARMING IS HIS INDICATION THAT THE INDIANS IN EFFECT RESISTED ANY RESTRICTIONS AT ALL, AND LOOK FORWARD WITHIN A FEW YEARS TO BEING ABLE TO PRODUCE ALL THE NECESSARY MATERIALS TO MANUFACTURE ADDITIONAL EXPLOSIVE DEVICES.



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TO AMEMBASSY MOSCOW PRIORITY 4776

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SECRET STATE 312667

EXDIS

E.D. 11652: XGDS

TAGS: PARM, UR, IN

SUBJECT: SOVIET SUPPLY OF HEAVY WATER TO INDIA

REF: (A) IAEA VIENNA 10166; (B) IAEA VIENNA 10261; (C) MOSCOW 19723; (D) PARIS 37850

1. WE ARE CONCERNED BY CONFIRMATION CONTAINED IN REF (B) THAT SOVIET SHIPMENTS OF HEAVY WATER HAVE REACHED INDIA BEFORE CONCLUSION OF IAEA SAFEGUARDS ARRANGEMENTS. BEARING IN MIND THAT COMPLICATIONS COULD ARISE IF PARTIES CONCERNED, FOR ONE REASON OR ANOTHER, ARE UNABLE TO REACH AGREEMENT WITH TAEA ON A SAFEGUARDS INSTRUMENT, WE BELIEVE THAT SHIPMENT OF HEAVY WATER PRIOR TO CONCLUSION OF IAEA SAFEGUARDS AGREEMENT IS HIGHLY QUESTIONABLE PRACTICE.

 CHARGE IS REQUESTED TO APPROACH MOROKHOV AND OTHER AP-PROPRIATE SOVIET AUTHORITIES EXPRESSING OUR CONCERNS, DRAWING ON FOLLOWING POINTS.

(A) WE UNDERSTAND THAT SHIPMENTS OF SOVIET HEAVY WATER HAVE REACHED INDIA, ALTHOUGH A SAFEGUARDS AGREEMENT WITH THE IAEA HAS NOT BEEN CONCLUDED.

DECLASSIFIED State Review E.O. 13528 (as amended) SEC 3.3 /2/3/03

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(B) WE ASSUME THAT INDIANS HAVE BILATERALLY AGREED TO ENTER

INTO APPROPRIATE SAFEGUARDS ARRANGEMENTS WITH THE AGENCY BEFORE PERMISSION IS GRANTED TO UTILIZE THESE SHIPMENTS. NONETHELESS, WE HOPE THAT ADDITIONAL SHIPMENTS WILL NOT BE MADE PRIOR TO A SAFEGUARDS AGREEMENT AND THAT THE HEAVY WATER ALREADY IN INDIA BE SEALED BY THE USSR PENDING ENTRY INTO FORCE OF THE AGREEMENT.

(C) IN ADDITION, WE URGE THAT THE SOVIETS ENCOURAGE THE INDIANS TO NEGOTIATE PROMPTLY AND CONSTRUCTIVELY WITH THE IAEA AND ENSURE THE APPLICATION OF STRINGENT SAFEGUARDS ON FACILITIES USING THE SOVIET HEAVY WATER. IN THIS CONNEC-TION, THE SOVIETS MAY RECALL DUR CONVERSATIONS IN RIO ON THE IMPORTANCE OF HAVING SAFEGUARDS FOR THE RAPP II RE-ACTOR, ALSO TRIGGER SAFEGUARDS ON THE RAPP I REACTOR. AS MOST OF THE HEAVY WATER IN THE RAPP I REACTOR (130 TONNES) WAS DE US DRIGIN AND WAS PROVIDED TO THE INDIANS BY THE CANADIANS WITH OUR EXPECTATION THAT SAFEGUARDS WOULD BE MAINTAINED, WE ARE NATURALLY CONCERNED THAT THAT FACILITY CONTINUE TO BE SAFEGUARDED. WE BELIEVE THE SOVIETS, TAKING INTO ACCOUNT THE TECHNICAL CHARACTERISTICS OF THE RAPP STATIONS; I.E., THE LIKELIHOOD THAT HEAVY WATER INTRODUCED INTO ONE REACTOR WILL EVENTUALLY BE INTER-MINGLED WITH HEAVY WATER IN THE OTHER, COULD USE THE CUR-RENT NEGOTIATIONS AS AN OPPORTUNITY TO EXTEND SAFEGUARDS--AS WELL AS OTHER PROVISIONS CONSISTENT WITH LONDON SUP-PLIER GUIDELINES--OVER BOTH REACTORS, ON THE PRESUMPTION THAT INTERCHANGE WILL OCCUR, THUS PROVIDING FOR LONG-TERM SAFEGUARDS DURATION AND COVERAGE TO PRECLUDE THE USE DF ANY PLUTONIUM DERIVED FROM THESE REACTORS IN ANY EX-PLOSIVE DEVICE.

3. SOVIETS IN RESPONSE MAY RAISE US FUEL SHIPMENTS TO EURATOM PRIOR TO ENTRY INTO FORCE OF SAFEGUARDS AGREEMENT WITH THE IAEA. CHARGE MAY POINT OUT THAT EURATOM/IAEA SAFEGUARDS AGREEMENT HAS BEEN NEGOTIATED AND APPROVED BY ALL PARTIES AND IS ABOUT TO ENTER INTO FORCE IN NEAR FUTURE, WHILE WE UNDERSTAND THAT INDIA/IAEA AGREEMENT HAS YET TO BE DRAFTED SO SITUATION IS NOT ANALOGOUS.

4. EMBASSIES OTTAWA AND PARIS. EMBASSIES MAY INFORM APPROPRIATE CANADIAN AND FRENCH AUTHORITIES RESPECTIVELY OF THE GENERAL LINES OF OUR APPROACH TO SOVIETS ON THE HEAVY WATER TO INDIA QUESTION.
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S E C R E T MOSCOW 20276

EXDIS

E.D. 11652: XGDS-1 TAGS: PARMS INS UR

SUBJECT: SOVIET SUPPLY OF HEAVY HATER TO INDIA

REF: (A) STATE 312667, (B) MOSCOW 19723

1. WE REQUESTED APPOINTMENT FOR CHARGE WITH MOROKHOV TO DISCUSS IAEA SAFEGUARDS AND WERE TOLD BY MFA COUNSELOR BORIS KRAUSULIN THAT MOROKHOV WOULD BE "OUT OF TOWN" UNTIL JAN 10. KRASULIN SUGGESTED MEETING WAIT UNTIL THEM, NOTING THAT MOROKHOV IS "MOST APPROPRIATE" OFFICIAL. WE COULD REQUEST APPOINTMENT WITH DEPUTY MINISTER ZEMSKOV IF DEPT WISHES OR MAIT UNTIL JAN 10 TO PUT IN FOR MEETING WITH MOROKHOV. WE WERE INFORMED BEFORE REQUESTING APPOINTMENT THAT TIMERBAYEV IS ON VACATION AND AFTER MAKING REQUEST, THAT ISRAELYAN IS "SICK." ALSO, KRASULIN SAID HE DID NOT KNOW WHETHER ZEMSKOV WOULD BE AVAILABLE, AND REPEATED HIS COMMENT THAT MOROKHOV WOULD BE MOST APPROPRIATE OFFICIAL.

2. CANADIAN AMBASSADOR DID SEE ZEMSKOV AS HE PLANNED (REF B) AND, ACCORDING TO CANADIAN EMBOFF WHO ACCOM-PANIED, WAS "COMPLETELY STONEWALLED," GETTING NO REACTION AT ALL FROM ZEMSKOV.

3. ACTION REQUESTED: GIVEN THAT SOVIETS, WHO CAN EASILY DEDUCE REASON FOR REQUEST, ARE NOT AXNIOUS TO RECEIVE US, WE REQUEST DEPARTMENT'S GUIDANCE ON WHETHER WE SHOULD PRESS FOR MEETING WITH

HYLAND, MATHENY

PSN:039824 PAGE 01

TOR:365/16:35Z DTG:301030Z DEC 76

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E.O. 13528 (as amended) SEC 3.3 12/3/02 State Dapt Guidalines IN NARA, Date 11/9/12

ZEMSKOV--WITH NO ASSURANCE OF GETTING IT--OR WAIT UNTIL JAN 10 TO SEE MOROKHOV.
MATLOCK
BT



PSN:039824 PAGE 02 DF 02 TDR:365/16:35Z DTG:301030Z DEC 76

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