

**August 26, 1974**

**Memorandum to the Secretary of State from Fred Ikle and Winston Lord, 'U.S. Policy on Nuclear Proliferation'**

**Citation:**

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**Summary:**

While U.S. nonproliferation strategy focused on several problems, such as ratification of the NPT by key countries, interest in a conference of major nuclear suppliers solidified. According to Kissinger's advisers, "A conference of nuclear industrial states offers an opportunity for realizing a coordinated approach in placing effective controls, including safeguards and security measures, over transfers of commercial nuclear equipment and materials."

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Authority MMI 912520By RL NARA Date 3/26/70*Lee Ann - File C77*

## DEPARTMENT OF STATE

Washington, D.C. 20520

November 29, 1974

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To: D - Mr. Robert W. Duemling  
From: S/P - Reginald Bartholomew  
Subject: Preparations for Nuclear Suppliers  
Conference

Attached is the memo we discussed regarding preparations for the proposed conference of key nuclear supplier state. As you can see, the Secretary has acted on the issue of participants, but the questions of agenda and location are addressed in some detail. These and other questions on preparatory and follow-on procedures, level of participation and coordination with non-participants are being tackled in a separate issues paper (drafted by PM in coordination with S/P and ACDA) which is currently undergoing extensive revision. A revised draft in sufficiently good shape for Mr. Ingersoll to review informally should be ready by the end of next week; we will forward the paper to you at that point.

Attachment:

as stated.

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 By *R.L.* NARA Date *3/26/70*

DEPARTMENT OF STATE  
 ACTION MEMORANDUM

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To: The Secretary  
 From: ACDA - Fred C. Ikle *F-7*  
 S/P - Winston Lord *W*

US Policy on Nuclear Proliferation

Following our last Analytical Staff Meeting, we have drafted the attached Memorandum for the President on US policy regarding nuclear proliferation and its relationship to multilateral efforts.

The memorandum (Tab A) outlines US policy moves in a multilateral context for controlling nuclear materials and inhibiting national decisions to acquire nuclear explosives. The proposed US approach ties in with three ongoing international efforts: (1) measures to strengthen safeguards and export controls; (2) discussions with India related to minimizing the adverse consequences of her test; and (3) encouraging important NPT signatories and other key non-nuclear weapon states to ratify the treaty soon. In addition to these efforts, a successful non-proliferation strategy will be affected by perceptions of non-nuclear weapon states regarding progress in US-Soviet nuclear arms limitations as well as the confidence of these states that their security and political needs can continue to be met without recourse to independent nuclear forces.

As a device that might help to strengthen export controls and to coordinate other multilateral non-proliferation efforts, the memorandum calls for an international conference of key nuclear industrial states, provided constructive French participation can be expected. To prepare such a conference, we would use further bilateral consultations with the UK and Canada, and consultations with France and other key states (USSR, FRG, Japan).

Consultations with other interested governments have shown that the US is not the only nation concerned with the problem of preventing further nuclear proliferation.

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We have already consulted with Canada and the UK in response to their initiatives. Representatives from the FRG wish to discuss NPT issues during their visit to Washington later this month, and we have made plans for talks with the USSR on PNEs and a number of broader non-proliferation matters of common concern.\*

A conference of nuclear industrial states offers an opportunity for realizing a coordinated approach in placing effective controls, including safeguards and security measures, over transfers of commercial nuclear equipment and materials. In the context of both the conference and prior consultation, countries such as Canada, the USSR, and the US, which strongly support controls, may convince other suppliers, notably France, to do the same. The advance consultations, the conference itself, and any follow-up policies and procedures that might be devised could also contribute to dealing with India on non-proliferation questions.

To prepare the conference, we would approach the French and the Soviets to ensure their support; it would be important to consult other key participants following a positive reaction from France and the USSR. If the French indicate clear opposition, it will be necessary to reformulate the proposed approach and come back to you with further recommendations. Realistically, given the need to complete interagency review as well as the necessary preparations and prior consultations, it is unlikely that the conference could be held before mid-November.

The major conference issue to be resolved is that of participation. Related problems of polarization, the specific agenda and feasibility of substantive results, and publicity tend to be tied to this question. (See Tab B for further discussion.) Although many options

\*In part, these talks serve to carry out the recently approved NSDM 255 which calls for US consultations with other suppliers designed to forge common policies to control exports of special nuclear material, encourage multilateral reprocessing plants, and upgrade worldwide physical security standards. In addition, the Energy Coordinating Group is working to develop multilateral policy guidelines and procedures affecting uranium enrichment.

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could be constructed using a variety of criteria; there are basically two approaches to participation:

-- a restricted conference attended by the major current nuclear suppliers, namely the US, France, the USSR, Japan, the FRG, the UK, and Canada;

-- a broader conference expanded to include other nuclear industrial states, notably the Netherlands, Sweden, South Africa, Italy, Belgium, Switzerland, Spain, Australia, and India.\*

The more restrictive approach would enhance both the manageability of the conference and the prospects for reaching consensus among the current major suppliers on an effective nuclear safeguards strategy. The only country likely to present serious problems would be France, although that nation would probably react more positively to a proposal for a restricted conference than for an expanded one. Japan, on the other hand, might not look with favor at participating in a small cartel-like meeting. In such a conference we would have more flexibility in terms of publicity; while the option of high-visibility could be chosen, a smaller conference could be handled in a more low-profile manner, perhaps at the Under Secretary level with strong technical participation by the various delegations. If a restricted conference

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\*Criteria for participation in the restricted conference seem relatively clear, since the seven nations designated are the most significant potential nuclear suppliers. Selection in the case of a broader conference is arbitrary. The above expanded list consists of the ten nations judged to be next in potential as nuclear suppliers. Particularly in the case of a larger conference, it should be recognized that the Soviets may insist on greater representation of their allies, thus creating pressure to further expand its size. We would inform the PRC in advance of a conference and welcome their attendance; they would be unlikely to accept an invitation. The Memorandum to the President leaves open the question of participation and can be forwarded for interagency review while these alternative approaches and other conference issues are being considered in greater depth by State and ACDA.

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is held, we will need to deal with potentially adverse reactions on the part of uninvited nuclear industrial states as well as nuclear have-nots. A low profile could help alleviate the polarization problem. Moreover, by excluding other nuclear industrial states whose present export capabilities are limited, we could avoid the appearance of isolating India, who would pose as a defender of the rights of the nuclear have-nots and tend to take an unconstructive stance. The non-participation of India would also facilitate agreement among the major suppliers on dealing with India regarding PNEs and export controls.\* Some of the political disadvantages of a restricted conference could be lessened if the original members took the position that they viewed themselves as a nucleus which might subsequently be enlarged. It might be understood that an item on the agenda of the restricted conference would be "possible enlargement of the consultations."

The broader approach would include from the start other interested nuclear industrial states, and eliminate their concerns at being excluded. The inclusion of Sweden, the Netherlands, and Australia would provide the conference the benefit of three of the strongest supporters of non-proliferation. At the same time, the broader approach would diminish the appearance of a suppliers' cartel. On the other hand, with a large conference, presumably at a Foreign Minister level, adopting a low profile would become extremely difficult. Some potential participants are less likely to publicly agree to nuclear export restraint in such a conference than they are to actually apply such measures in practice. Furthermore, many of the additional nations are primarily nuclear importers in the near term (although all are potential suppliers)\*\*and obtaining unanimity on substantive issues would be difficult. In addition, it would be difficult to draw the line for

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\*Your scheduled trip to India will probably take place before the conference. This offers the opportunity for private talks with the Indians on non-proliferation, in the context of a coordinated approach on the part of Canada, the UK, and possibly the USSR flowing from pre-conference consultations.

\*\*The situation here, of course, is different from the Energy Conference (when we wanted to increase our leverage versus the producers) because suppliers and many recipients share a consensus on the problem.

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selection of participants once the conference were expanded; for example, Mexico, Argentina, and Brazil would almost certainly wish to attend, and the possibility of a twenty-odd nation conference could not be dismissed. The inclusion of India would seem necessary in the widened context; its exclusion in such circumstances might well provoke strong GOI opposition to the proposed strategy. India would probably play a spoiling role and its presence would seem to make export restraint agreements an unrealistic goal, and could reduce prospects for gaining Indian cooperation in placing controls over its nuclear exports.

With respect to participation:

ACDA, SCI, and INR strongly favor a restricted approach.

S/P sees valid arguments on both sides, but, on balance, prefers a restricted conference as a first step, with the option to convene an expanded conference later if judged to be useful.

NEA has a strong preference for a restricted conference of major suppliers (not including India) which would avoid the problem of Indian participation.

PM believes that participation at the conference can best be decided after consultations with France and the USSR, but, subject to the concurrence of these countries, would prefer a restricted approach.

C has a slight preference for a smaller conference.

EUR would also marginally prefer a restricted conference, on the grounds that the French would probably be more likely to agree to attend.

IO, without passing judgment on the policy issue of whether a more restricted or broader group should be sought, considers that, from the standpoint of coordination and management, there would be significant advantage in at least starting the conference with a restricted number of participants.

EA prefers the option for a larger conference to allow the inclusion of Australia and to make participation less exclusive, and thereby more attractive, to Japan.

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AF prefers an expanded conference to assure South African participation, but indicates that South African concerns could be accommodated through consultations if a restricted conference were selected.

ARA does not wish to judge the policy merits of a small versus a large conference, but strongly favors the inclusion of Mexico, Argentina, and Brazil if a broader approach is chosen and advance consultations with these countries in the event a restricted approach is followed.

### Recommendations

1. That the draft Memorandum to the President be circulated to interested agencies by the Under Secretaries Committee for rapid review. They would be informed that the memo is based upon comments on the NSSM 202 Draft Report of June 21 as well as events since the original NSSM effort. Their further comments and concurrence would be solicited within a week, prior to forwarding the memorandum to the White House. (This would not prejudice decisions as to extent of participation and publicity for the proposed conference.)

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

2. That the Department and ACDA prepare a detailed operational plan for the conference of nuclear industrial states, either

-- restricted in the first instance to a low-visibility meeting among the most advanced nuclear industrial states;

Approve HK 7 SEP 1974

Disapprove \_\_\_\_\_

-- or a more highly publicized conference expanded to include other nuclear industrial states, with Indian participation.

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

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Drafted: S/P:JHKalicki:JHKahan:mn  
ACDA:CVanDoren:JBoright *per JHK*

## Concurrences:

C - Mr. Sonnenfeldt	<i>per JHK</i>
IO - Mr. Buffum	"
AF - Mr. Easum	"
INR - Mr. Hyland	"
PM - Mr. Goodby	"
EUR - Mr. Lowenstein	"
NEA - Mr. Laingen	"
ARA - Mr. Bloomfield	"
EA - Mr. Martens	"
SCI - Mr. Sievering	"

## Attachments:

Tab A - Draft Memorandum to the President  
Tab B - Discussion of Conference Agenda, Participants  
and Location

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D R A F T

NSC UNDER SECRETARIES COMMITTEE

## MEMORANDUM FOR THE PRESIDENT

Subject: U.S. Nuclear Non-Proliferation Policy

NSSM 202 directed a review of present U.S. policy concerning non-proliferation and the Non-Proliferation Treaty (NPT) in light of the Indian nuclear test. A recently updated NSSM 156 study is a companion paper that focuses on the specific options open to us in dealing with India.

On the basis of the review done pursuant to NSSM 202, the Under Secretaries Committee recommends an intensified program to inhibit the further spread of independent nuclear explosives capabilities. This program would exploit the common interest of many key countries in inhibiting proliferation by providing for concerted action. The U.S. could both support such action and, where appropriate, catalyze more effective international coordination.

In the short run, the most effective approach to slowing down the spread of nuclear weapons is for the advanced nuclear industrial states to tighten controls on weapons-grade material and related production capabilities. For the longer term, however, proliferation can only be limited through maintaining and making more widely applicable the

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legal and political barriers to acquisition of national weapons capabilities. In addition to the policy actions presented below, a successful non-proliferation strategy will be affected by perceptions of non-nuclear weapon states regarding progress in US-Soviet nuclear arms limitations, as well as the confidence of these states that their security and political needs can continue to be met without recourse to independent nuclear forces.

As a series of near-term non-proliferation steps, it is recommended that:

1. Through consultations among nuclear industrial states and the convening of a conference of such states,\* the US seek coordinated policies designed to:

-- Ensure that effective safeguards be applied to peaceful international nuclear cooperation by providing adequate technical and financial support for IAEA safeguards, and by requiring that such safeguards be placed on nuclear material and equipment exported by these states

\*I.e., including and possibly limited to those which are exporters of nuclear power reactors or have commercial uranium enrichment or chemical reprocessing facilities.

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or material derived from these exports.\*

-- Restrict the spread of independent national uranium enrichment and chemical reprocessing facilities through: (a) reaching common principles regarding the supply of sensitive enrichment technology and equipment or supply or assistance in the construction of national reprocessing facilities; and (b) encouraging multilateral plants capable of satisfying future world demands for reliable and economic commercial services in these fields.\*\*

-- Avoid, or apply stricter terms for, supply of sensitive nuclear material or equipment where special hazards could be present.\*\*\*

-- Establish agreement on the need for specific physical security standards to be included as a condition of nuclear cooperation, and for the IAEA to intensify its

\*This condition is consistent with the Zangger (Nuclear Exporters') Committee guidelines and will automatically be met in the case of recipients who are parties to the NPT; it would be understood to apply to shipments by any of the participating countries to India. In the case of any exports of weapons-grade material, such exports should require safeguards not only on the material exported, and any weapons-grade material derived therefrom, but also on an equivalent amount of unsafeguarded weapons-grade material which otherwise would have been used for this purpose.

\*\*This would represent a major step toward implementing NSDM 255 and would be consistent with planned ECG activities.

\*\*\*This is consistent with approved policy in NSDM 255 and the proposed special conditions to be placed on U.S. nuclear cooperation with Egypt and Israel.

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efforts to develop acceptable meaningful international guidelines to ensure the physical security of weapons-grade and highly-toxic nuclear materials, whether internationally transferred or indigenously produced.\*

-- Minimize the risk of indigenous "peaceful" nuclear explosive (PNE) development in non-nuclear weapons states not party to the NPT (which precludes such development) through: (a) agreeing not in any way to assist any NNWS to develop or acquire PNEs; (b) requiring explicit confirmation that nuclear material exported, or derived from the use of exports, will not be used for any nuclear explosives; (c) establishing that all nuclear materials subject to IAEA safeguards may not be used for any nuclear explosives; and (d) agreeing on the need to establish within the IAEA framework further mechanisms for the assessment of PNE application and the provision of PNE services by nuclear-weapon states.\*\*

2. Through international consultations and in connection with the above conference as appropriate, a

\*This is one of the objectives approved in NSDM 255. Efforts to promote a broad international consensus on physical security could ultimately take the form of an international convention.

\*\*With respect to PNE policies, early consultations with the USSR and France, whose cooperation is essential, would be particularly important.

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coordinated multilateral approach be developed to ensure that the Indian nuclear explosion does not hasten further proliferation in Pakistan and elsewhere, by:

-- Endeavoring to persuade India to place IAEA safeguards on its nuclear exports and not to export nuclear explosive technology or devices, or assist others in building national chemical reprocessing plants.

-- Seeking deferral of any further Indian nuclear explosive tests.

-- Seeking to hold India to its peaceful protestations and minimize the scope, pace, and military dimensions of its nuclear explosive program, through Indian acceptance of such measures as: (a) accountability for weapons-grade material; (b) deferral of further PNE production and limiting it to specified current needs; and (c) international observation arrangements.

-- Seeking Soviet and French cooperation in continuing not to supply India with long-range bombers or other sophisticated nuclear delivery capabilities.\*

3. Within a multilateral context, efforts by proponents of the NPT be intensified in support of early ratification

\*The US and the USSR are the only potential suppliers of long-range bombers, although the French can supply medium-range bombers and ballistic missiles. In approaching the Soviets on this question, the US would make no compromise on its basic position of rejecting non-transfer proposals put forth by the USSR at SALT.

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of the treaty by key non-nuclear weapons states through such efforts as:

-- US support to the FRG, UK and other European members in their high-level contacts with the Italian Government to convey both the importance of early NPT ratification and the relationship of such ratification to removing legal doubts regarding the ability of NPT parties to continue nuclear supplies to the European Communities.

-- High-level communications with the Japanese designed to remove any doubt about the continued importance of such ratification to the US and other NPT proponents as an essential contribution to international stability and long-term progress toward nuclear arms control, and as helping to ensure a maximum role for Japan in international nuclear commerce.

-- Encouragement of common recognition by nations in the Middle East that the further spread of independent nuclear explosives capabilities endangers the security of all states.

-- Completion of negotiations with the IAEA of an agreement implementing the Presidential offer to permit the IAEA to apply safeguards to US facilities in order to facilitate ratification by FRG, Japan, and Italy by demonstrating that the US is not seeking a commercial

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advantage through safeguards avoidance.

-- Establishment of visible ways, consistent with the policies set forth in recommendation 1 above, in which preferential treatment will be given to NPT parties with respect to (a) the availability of commercial nuclear facilities, fuels, and technological support; (b) potential PNE services, and possibly (c) credit terms.

4. The Under Secretaries Committee oversee the development and implementation of US non-proliferation strategy and longer-range work in this field.

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Authority MM 117520By RL NARA Date 3/26/70SECRETCONFERENCE OF NUCLEAR INDUSTRIAL STATES

The following discussion deals with three important conference issues: agenda; participants; and location.

1. Agenda

The principal purpose of the conference would be to develop a consensus among the key nuclear industrial states on a strategy for delaying the further spread of nuclear explosive capabilities. While lending support as appropriate, the US and USSR would attempt not to be in the forefront of conference deliberations in the interest of encouraging an effective multilateral strategy for nuclear non-proliferation; consequently other conference participants would be expected to take the lead in introducing agenda items. The specific content of agenda items would depend in part on whether attendance is limited or broad.

To this end, the conference would begin by attempting to ensure effective implementation of IAEA safeguards (including adequate financial support) and require such safeguards to be placed on all nuclear material exported, or derived from the use of exports, by the nuclear industrial states. Given its recent concern with such exports to India, Canada would be a likely sponsor of proposals to this effect.

The conference should then consider how best to provide for future uranium enrichment and reprocessing needs with a view to (i) assured economical supply of such services and sufficient alternative sources to avoid the risk of loss for political reasons, and (ii) avoidance of over-building and of uneconomical national plants. Emphasis would be placed on multinational plants with IAEA safeguards and agreed additional precautions. (Discussion on common principles regarding the supply of sensitive enrichment technology and equipment or supply or assistance in the construction of national reprocessing facilities should occur privately, in view of the restricted number of participants directly affected by this question and the inherent sensitivities of the subject.) If it participates in the conference, Sweden might well lead this discussion since it has chosen to abstain from developing a national reprocessing capability; alternatively, given US leadership in the enrichment field, we could raise this issue.

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Three additional items involving the strengthening of export controls and safeguards would also be discussed:

-- The UK might be interested in leading discussion on the avoidance or the institution of stricter terms for the supply of nuclear material or equipment where special hazards could be present, bearing in mind, in the case of recipients who are NPT parties, the need to avoid contravening Article IV of the NPT.

-- In view of recent indications of German interest in improving the physical security of nuclear materials, the FRG would be a logical proponent of agreed international guidelines for insuring the security of weapons-grade and highly toxic nuclear materials.

-- The conference should turn to ways of minimizing the risk of indigenous PNE development in non-nuclear weapons states not party to the NPT (which precludes such development). Given its opposition to such development and its credentials in the third world, Japan would be one likely proponent of any measures in this area.

-- Finally, the conference could turn to a long-term strategy for promoting consensus on further steps to inhibit nuclear proliferation. This could include discussion of ways to give preferential treatment to non-nuclear weapons states, whose official policies are to refrain from acquisition of independent nuclear explosives capabilities, on the availability of commercial nuclear facilities, fuels, and technological support; potential PNE services; and possibly credit terms.

## 2. Participants

Presented below are two categories of conference participants.

The first category consists of those six nations, in addition to the US, representing the major nuclear industrial suppliers whose participation is essential. (The PRC could be invited as a nuclear-weapons state, but is omitted from the following list since it does not have a significant commercial reactor program and has not, it is believed, provided enrichment services for other countries.)

The second category includes eight additional states that have standing in the commercial field by either (a)

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having operational uranium enrichment facilities or commercial chemical reprocessing facilities or (b) manufacturing nuclear reactors. (India is also included in this category, although it is several years from completing its first two indigenously built reactors for its own use and has only a modest reprocessing capacity.) As illustrated by the the inclusion of India, the selection criteria for the second category are not stringent, and it is possible to argue for the inclusion of other incipient nuclear industrial states such as Mexico, Brazil, Argentina, the ROC, many East European nations, and possibly the ROK and Pakistan.

#### A. Most Essential

FRANCE has not yet signed the NPT (though it has declared repeatedly that it would act as if it were a party). Its cooperation is essential to effective nuclear export controls. It is a supplier of uranium enrichment services (including those to be performed by EURODIF, a joint enterprise with Spain, Belgium and Italy); an exporter of weapons grade nuclear materials; an exporter of reactors (mostly manufactured under license from US firms) and has an operational fast breeder reactor. It could also become a supplier of PNE services or even of nuclear explosive technology.

USSR is a strong supporter of the NPT, to which all Warsaw Pact states and Yugoslavia are also parties. It has all of the characteristics attributed above to France, except that it has not exported weapons grade nuclear materials, its reactors are not commercially competitive with US reactors, and it is considerably more advanced than France in PNE technology. Some of its allies -- most notably Czechoslovakia, the GDR and Hungary -- may also become exporters of reactors and components, and the Soviets might insist on including one or more of them.

JAPAN is the NNWS with the largest nuclear industry. It is capable of becoming a major exporter of reactors (mostly manufactured under license from US firms) and major components. It is building a chemical reprocessing plant and will either develop an indigenous uranium enrichment capability or become part owner of enrichment facilities built by others, or both. It has signed but not yet ratified the NPT; its failure to ratify could jeopardize ratification by the key Western European NNWS.

FRG is the NNWS with the next largest nuclear industry. It is a participant in the URENCO uranium enrichment

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enterprise (together with the UK and the Netherlands); manufactures centrifuge enrichment equipment and has other enrichment technology; is a manufacturer and exporter of reactors, including very advanced ones, and is building its own chemical reprocessing plants. It also manufactures heavy water (which is necessary for the operation of natural uranium reactors) and plants for its manufacture. It has completed parliamentary action on ratification of the NPT, but has not yet deposited its instrument of ratification, which it may do early next year.

UK - An NPT party, it performs uranium enrichment and chemical reprocessing services; and manufactures reactors and components (though it has not become a major reactor exporter). While it has extensive nuclear explosive technology, it has not had a PNE development program.

CANADA is the strongest supporter of non-proliferation efforts of all NNWS party to the NPT. It manufactures and exports reactors fueled with natural uranium (which it also supplies) and heavy water (which is necessary for the operation of natural uranium reactors).

#### B. Other Possible Choices

NETHERLANDS is the most concerned of the NPT signatories about preventing proliferation. It is the site of the uranium enrichment facility owned by URENCO, a joint enterprise with the UK and the FRG.

SWEDEN, an NPT party and unlike the preceding countries, non-aligned, is a manufacturer and exporter of reactors and major components. It chose not to develop its own chemical reprocessing facility. It would be highly resentful of exclusion from the conference.

SOUTH AFRICA, which has not yet signed the NPT, is building a large enrichment plant. It has been cooperative in imposing safeguards. (We should, however, ensure that its participation not cause other essential participants not to attend.)

ITALY, will be a part owner of the French-dominated EURODIF enrichment plant. It is manufacturing three reactors and is a potential exporter of reactors and reactor components. It has been dilatory in proceeding toward ratification of the NPT, and the least cooperative member

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of the Zangger (Nuclear Exporters') Committee.

The principal arguments for its inclusion are to encourage it to join the global non-proliferation strategy rather than undermine it (as it might try to do if excluded), and to help persuade it to join the NPT. The principal arguments against its inclusion are that it is not yet a significant exporter and would probably be somewhat uncooperative at the conference.

BELGIUM will also be a part-owner of the French-dominated EURODIF enrichment plant. It has manufactured one reactor and is manufacturing two more, exports reactor components and is a potential exporter of re-actors. It is also the site of the recently shut-down OECD-owned chemical reprocessing plant. It has signed but not yet ratified the NPT.

The principal arguments for its inclusion are the resentment it would have toward being excluded, possibly prejudicing its future cooperation, and the fact that, with Italy, it is the closest to being in the same class as the most essential participants listed above. The principal argument against is that its inclusion would enlarge the conference, since it could hardly be included without also including Italy.

SWITZERLAND is an NPT signatory expected to ratify in the coming year. It has manufactured one reactor and is manufacturing two more, exports reactor components, and is a potential exporter of reactors. It is less essential to the conference than the preceding two countries, but its exclusion could prejudice its ratification of the NPT and its future cooperation. It was initiator of the Zangger Committee, but cited legal difficulties in controlling export of technology.

SPAIN has the largest nuclear power grid of any NNWS that has not signed the NPT, but is not currently a significant exporter. One of its reactors is jointly owned by France and is not safeguarded. It will become a part owner of the French-dominated EURODIF enrichment plant.

AUSTRALIA, an NPT party, is not yet in the same class as the preceding countries, although it is a major exporter of natural uranium and envisages obtaining an enrichment capability. It would be highly resentful of being excluded, especially in view of its current unsuccessful efforts to join the Geneva disarmament committee (CCD) and its strong support of non-proliferation.

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INDIA, a conspicuous NPT holdout, is building a commercial chemical reprocessing plant for its own use, is building its first two indigenous reactors, and has acquired a rudimentary PNE technology, but it is not expected to become a significant exporter for some years. It would almost certainly not wish to be publicly associated with nuclear export control efforts by major suppliers, since this would tarnish its image as the champion of the developing countries; and it would be likely to prevent the conference from reaching useful consensus if it did attend. Moreover, to include it would add to the arguments in other NNWS for following the Indian example, since it would appear to accord added prestige to India as a result of its explosion. In addition, with India present, it would prove difficult to obtain agreement among suppliers regarding transfer conditions on exports to India, and to gain acceptance by India of constraints on its own nuclear program or agreement to safeguard its exports.

On the other hand, India may wish to participate in the conference to protect its own interests and bolster its image as the defender of LDC causes. Its exclusion from a broad conference could reduce the chances of its being persuaded through less formal consultations to adopt the types of nuclear export control policies advocated by the conference, and increase the risk that, as India develops its export capacity, it could undercut the strategy developed by the conference.

### 3. Location

It is assumed that basing the conference in the United States would be less desirable than securing a foreign location. A Soviet site would not seem appropriate, and an FRG location would create complications with the USSR and its allies.

London is one possibility, given the UK's traditional support of non-proliferation. However, the British position as a commercial exporter is not exceptionally strong.

Locating the conference in Paris would underline France's important role in our non-proliferation strategy and might elicit greater French cooperation in implementing it. On the other hand, if prior consultations with the GOF indicate that it is likely to be uncooperative and to take advantage of being the host state, it may be preferable to locate the conference elsewhere.

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Ottawa is attractive because of Canadian concern with the issues projected for the conference and because of its proximity to Washington and New York, but it could make the conference appear anti-Indian.

A Tokyo location would place renewed emphasis on non-proliferation and could indicate to Japan that there would be commercial significance in a global non-proliferation regime. The Japanese Government, however, might feel that hosting such a conference would complicate internal debates over NPT ratification.

Stockholm, being in a non-aligned country, would help offset the heavy representation of US allies in the conference and would acknowledge the strong Swedish interest in nuclear non-proliferation. This location would not be applicable to the restricted conference, since Sweden would be excluded.

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